



Reimagining Housing in Ibiza

*From Crisis to Community Through
Cross-Sector Collaboration*



September 2025

Executive Summary

Part 1: The Challenge

The Nature and Drivers of the Crisis

The Nature of the Crisis

Ibiza's housing crisis has deepened into one of the island's most urgent social and economic challenges.

- **Insecurity and exclusion:** Many residents live in overcrowded flats, informal dwellings, or settlements without basic services. Young people delay independence, seasonal workers sleep in vans, and nearly half of survey respondents report constant housing stress.
- **Unaffordability:** Rents have surged, with long-term prices among the highest in Spain. Seven in ten residents spend over 30% of income on housing, while ownership remains out of reach for most young people and essential workers.



- **Underutilisation:** Around 18,000 dwellings are empty or underused, often as second homes or speculative assets, even as businesses and public services struggle to recruit staff due to housing scarcity.
- **Displacement:** Families and workers are leaving the island, undermining schools, hospitals, and local businesses as turnover rises and skills are lost.
- **Fragmentation:** Housing pressures are eroding social cohesion, weakening neighbourhood bonds, and disrupting intergenerational continuity, with homeownership (long central to family security) increasingly unattainable.

The Drivers of the Crisis

Beneath these lived impacts lie structural drivers that sustain scarcity and exclusion.

- **Undersupply:** Spain retains one of the smallest protected housing stocks in Europe, with around 1.5% as social rentals and less than 2.5% protected overall.
- **Speculation:** Over 80% of purchases in Ibiza are by non-residents, fuelling vacancy, second homes, and rising inequality. EU law limits local ability to restrict such investment.
- **Seasonality:** Tourism drives conversions to short-term rentals and generates seasonal labour demand without adequate housing provision. An estimated 7,000 tourist lets in Ibiza operate without licences.
- **Uncertainty:** Fear of non-payment, squatting, and lengthy eviction processes discourages landlords from offering long-term rentals, reinforcing scarcity.
- **Blindspots:** Housing competences are fragmented, data on vacancy and informal housing is incomplete, and planning is rarely aligned with social or ecological capacity of Ibiza

Part 2: Solutions

A Collaborative Path Forward

Market-Driven Solutions

Business is not a substitute for government but can play a vital complementary role.

- **Leveraging core business:** Paying living wages, providing seasonal staff housing, retrofitting unused buildings, adopting modular methods, and pooling employer resources can expand access while reducing workforce turnover.
- **Targeting philanthropy:** Corporate donations of funds, land, or expertise can support NGOs and municipalities in moments of crisis and pilot innovative housing models.
- **Advocating and engaging:** Businesses can share workforce data, highlight staff challenges, and push for regulatory reforms (e.g. adaptive reuse, hybrid-use licences) that unlock affordable housing delivery.

Government-Led Solutions

Public authorities hold the levers of legislation, taxation, and planning.

- **Addressing informality:** Guarantee access to registration, sanitation, and healthcare for residents in precarious housing, while offering transitional housing and phased relocation pathways.
- **Mobilising and upgrading existing stock:** Expand intermediation schemes like *Lloguer Segur*, tie renovation grants to affordability safeguards, and reinvest vacancy and second-home surcharges into affordable housing.

- **Constructing housing strategically:** Use modular or interim housing on public land, but prioritise vacancy and adaptive reuse before expansion. Strengthen IBAVI and municipal capacity for long-term delivery.
- **Preserving homes for residents:** Deploy deed restrictions, fiscal incentives, and flexible public-service housing to protect homes for essential workers and locals, aligning with EU-compatible tools.

Community-Based Solutions

Collective models anchor housing in long-term affordability and community stewardship.

- **Developing housing cooperatives:** Members share collective ownership with long-term use rights, lowering costs by 30–40%. Success depends on access to land, often through long leases.
- **Establishing Community Land Trusts (CLTs):** Separate land ownership from housing to secure permanent affordability, using resale caps and governance shared between residents, community, and public representatives.
- **Building the enabling ecosystems:** Successful projects require intermediary support, technical expertise, and continuity across political cycles — currently missing in Ibiza.
- **Strengthening community housing and wellbeing:** Community-led housing creates social dividends by reducing isolation, strengthening intergenerational ties, and improving health through ecological design and shared spaces.

Part 3: From Ideas to Action

A Roadmap for Ibiza



Practical Strategies

This chapter translates analysis into action, bringing together solutions across the three pathways. Actions are organised into short-term (0–2 years) and medium-to-long term (2–5 years).

- **Market-driven actions:** Living wages, rooftop/air rights development, adaptive reuse, ethical finance, modular construction, hybrid-use models, and philanthropic pilots.
- **Government-led actions:** Rights-based responses to informality, vacancy activation through guarantees and refurbishment, interim use of public land, permanent affordability safeguards, and deed restrictions.
- **Community-based actions:** Pilots of cooperatives and CLTs, awareness-raising, building intermediary support, safeguarding stewardship, and embedding wellbeing into design.

Conclusion:

Building a Home for Ibiza's Future

Ibiza's housing crisis is eroding dignity, identity, and opportunity. Yet solutions exist. By unlocking underused stock, aligning business practices with community needs, enabling public institutions to act strategically, and supporting community-led models, the island can restore affordability and resilience. Success depends on coordinated action, robust institutions, and placing residents' needs at the centre of decisions. With ambition and collaboration, Ibiza can secure housing not only as shelter, but as the foundation of a fairer, healthier, and more sustainable future.



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Part 1: The Challenge

The Nature and Drivers of the Crisis

Why is housing such a pressing issue in Ibiza, and how did we get here?

This part explores the lived realities of the crisis — overcrowding, insecurity, unaffordability, displacement, and the erosion of social cohesion — alongside the structural forces that sustain it. Rising costs and shortages are displacing young people and workers, undermining essential services, and straining businesses. Beneath these symptoms lie systemic drivers: chronic undersupply of protected housing, speculative investment, tourism seasonality, legal uncertainty, and fragmented governance. Taken together, they explain why Ibiza's housing system no longer meets the needs of residents and why only a decisive, long-term response can protect the island's future.

1. Introduction

Access to housing in Ibiza has become one of the island's most urgent and complex challenges. Rising costs, shortages of year-round homes, and growing insecurity affect residents, businesses, and public services, while eroding the island's social fabric. For many, the crisis is lived through overcrowding, displacement, or delayed independence; for employers, it hampers recruitment and retention. Recent reforms on short-term rentals are a step forward, but broader action is needed, from mobilising empty homes and adapting non-residential spaces to strengthening community models and embedding affordability.¹

1.1 Focus and Purpose of the Report

“I live with my parents. My only options are to stay [with them], or move away from the island where I was born”.#

Ibiza resident, 26-35

This report situates Ibiza's housing crisis within its local and national context and explores where new opportunities may lie. Rather than prescribing a single blueprint, it identifies reference points and ideas that can support locally grounded decisions, recognising that examples are not presented as complete solutions but as specific practices with transferable aspects relevant to this report's scope. The emphasis is on practical strategies that complement existing measures, with particular attention to the role businesses can play alongside government and civil society. The report also highlights the importance of safeguarding affordability, ensuring social

¹ Under Spain's 2023 State Housing Law and Balearic Housing Law, “empty” and “vacant” homes have distinct legal meanings, mainly based on duration and use. See glossary for full definitions and implications.

inclusion, and balancing housing needs with the island's ecological limits, while acknowledging that housing shapes belonging and stability.

1.2 Methodology and Approach

The findings draw on more than 20 interviews with stakeholders from academia, business associations, public institutions, and the non-profit sector at local, regional, national, and European levels. Over 200 hours of research were undertaken, including a review of more than 50 case studies, a survey of 1,000 residents living on the island for at least one year^{2,3} and field conversations with families in three informal settlements. An international online dialogue⁴ brought together 16 contributors from over 10 countries, generating insights into innovative housing solutions. Together, these methods provide a grounded and comparative perspective, ensuring the recommendations reflect both Ibiza's unique challenges and lessons from elsewhere.



² Business Fights Poverty & (Ma) Laboratorio de Transformación Sostenible. (2025). Housing and Quality of Life in Ibiza. Survey of 1000+ respondents who are resident on the island ([Available online](#)).

³ More than half of the respondents (58%) were born in Ibiza or have been living on the island for more than 20 years.

⁴ Business Fights Poverty. (2024, June 13). How can we balance tourism growth with housing affordability for local communities? ([Available online](#)).

2. The Nature Of The Crisis

Ibiza's housing crisis has intensified, combining overcrowding, insecurity, and rising costs that outpace wages with a shortage of year-round homes and widespread vacancy. For residents, this means delayed independence, displacement, and weakened family continuity; for businesses and public services, it hampers recruitment and retention. Beyond affordability, the crisis erodes community identity and cohesion. This section explores its five dimensions: insecurity, unaffordability, vacancy, displacement, and fragmentation.

2.1 *Insecurity and Exclusion:*

Precarious housing undermining dignity and rights Housing insecurity in Ibiza goes beyond rising prices.⁵ Many residents are forced into overcrowded homes, informal dwellings, or shared arrangements out of necessity. Seasonal workers sleep in vans, families double up in small flats, and young people delay leaving home well into adulthood.⁶ Fewer than one in five under-35s has left the family home in the Balearics.⁷ In our survey, 97% of respondents under 45 said they were not able to freely choose their current home. Among those aged 18–25, 72% still live with or rely on family. For some, gaining independence means leaving the island altogether. While systematic data on this trend is lacking, these accounts speak to a quiet but growing form of displacement that reshapes the island's generational and social fabric.

⁵ According to survey results, the main reason residents have had to move home in recent years is due to rising rental prices (42%), personal reasons (29%), non-renewal of contract (19%), and lack of formal contracts and precarious conditions (13%).

⁶ In late 2023, only 18% of young people in the Balearic Islands were emancipated amid rising youth unemployment and the second-highest housing costs in Spain (median rent €1,288; purchase price €295,770, or 23.5 years of salary). Consejo de la Juventud de España. (2023). Observatorio de emancipación: Principales resultados autonómicos, 2º semestre 2023. ([Available online](#)).

⁷ Ibid., Consejo de la Juventud de España. (2023).

“The cost of living is forcing me to choose between my mortgage and food.”⁸

Ibiza resident, 46–60

Insecurity also affects health. A 2024 study by UAB and UPF for La Caixa Social Observatory found that the perception of precariousness is the strongest predictor of poor mental health among Spanish youth (more than income or job type).⁹ Nearly half of young respondents to our survey (44%) reported constant housing-related stress, rising to 57% among those in unstable or informal conditions.

Informal settlements show even deeper exclusion. Field visits and interviews confirmed residents living in tents, caravans, or makeshift structures on land not zoned for housing. Without access to sanitation, water, or electricity, many remain excluded from basic rights. Spanish law recognises the right to municipal registration,¹⁰ yet several residents reported paying up to €400 to register illegally.

Conditions vary widely across sites: some families described life as “freer” and less restrictive than in exploitative rentals, while others refused to bring children into such environments. These differences highlight the complexity of exclusion and the need for tailored responses. Addressing insecurity and exclusion requires policies that guarantee basic rights, reduce health risks, and provide stable pathways into dignified, long-term housing for all residents.

⁸ Business Fights Poverty & (Ma) Laboratorio de Transformación Sostenible. (2025). Housing and Quality of Life in Ibiza. Survey of 1000+ respondents who are resident on the island ([Available online](#)).

⁹ Maestripieri, L., et al. (2024). La sensación de precariedad afecta a la salud mental de los jóvenes. El Observatorio Social de la Fundación “la Caixa”. ([Available online](#))

¹⁰ In Spanish, empadronamiento, the official municipal register of residents in Spain. See glossary for full definitions and implications.

2.2 Unaffordability:

Rising housing costs outpacing wages and incomes

Housing costs in Ibiza have outpaced wage growth over the past decade, putting increasing pressure on household budgets. 7 out of 10 residents in our survey spend more than 30% of their income on housing.¹¹ A young person would need to spend 102.3% of their salary to rent a home on their own.¹²

By late 2024, the Balearic Islands had the highest rental rates in Spain, with average long-term rent reaching around €17.6–€18.4/m², well above the national average of roughly €13.5/m². Over that year, rents in the Balearics rose nearly 10%¹³, outpacing the average across Spain.

A study by the union CCOO and Fundación Intercoopera (2025) estimates that a living wage in Ibiza requires a gross monthly income of €2,996, compared to €2,260 for the Balearic average.¹⁴

“There are many workers with good jobs and high incomes, enough, in theory, to live well, but there is simply no housing available. This is the paradox: an economy that performs strongly, yet even those participating in it are left behind. It is a stark, brutal inequality.”

Thomas Ubrich, FOESSA

Ownership remains aspirational. Two-thirds of survey respondents said they would prefer to own rather than rent if they could. National data echoes this: 58% of young people cite unaffordable prices as the main barrier to buying, while 53% report insufficient savings.¹⁵

¹¹ At national level, the situation is similarly strained. Spain has the highest rental overburden rate in Europe, with 42.1% of renters spending more than 40% of their income on rent. These figures point to a systemic affordability gap, particularly acute in areas like Ibiza. Eurostat. (2023). Housing in Europe – Statistics Visualised: Housing cost overburden rate. ([Available online](#)).

¹² Consejo de la Juventud de España. (2024). Observatorio de Emancipación: 1º semestre 2024. ([Available online](#)).

¹³ Cadenaser. (2025, January 2). Los alquileres en Baleares cierran el año creciendo casi un 10%. ([Available online](#)).

¹⁴ Comisiones Obreras. (2025, January 16). A les Illes Balears es necessita un salari de prop de 2.300 euros per viure. ([Available online](#)).

¹⁵ Fotocasa Research. (2024). Los jóvenes y el mercado de la vivienda en España: principales obstáculos para comprar. ([Available online](#)).

In practice, the market is shifting. The share of rental housing in the Ibiza municipality has grown from 26% to 41% over the past three decades, reflecting a decline in access to ownership.

Ownership itself is also becoming more unequal. Since 2006, the number of single-property owners in Spain has fallen by 53%, while ownership of multiple properties has surged.¹⁶ In the municipality of Ibiza, large property holders control a notable share of the housing stock: 2,493 homes (about 10.3% of the total) are owned by landlords with more than 10 properties.¹⁷ These patterns point to a growing concentration of housing access and wealth at both national and local levels. Reversing these trends will mean tackling the widening gap between wages and housing costs, ensuring that both ownership and rental markets remain within reach for local residents.

2.3 Vacancy and Shortage: A structural mismatch

“Over the past four years, the main problem has been a lack of workers, driven by the lack of rental housing. Many businesses have had to rent accommodation for their staff, or else they are simply unable to hire. Several companies have reduced their operations; some restaurants, for instance, have even cut their opening hours because or closed on certain days due to staff shortage.”

María Ángeles Marí Puig, PIMEEF

Despite intense demand, many homes in Ibiza remain out of reach. Around 16.2% of dwellings in the Balearic Islands are empty, rising to roughly 20% in Ibiza.¹⁸ Official estimates in Ibiza suggest that more than 18,000 dwellings¹⁹

¹⁶ The number of people owning 2–5 properties has risen from 31% to 42%, and those owning more than 10 have doubled. [elDiario.es](#). (2024, November 24). El mapa de los grandes tenedores de más de 10 viviendas, municipio a municipio. ([Available online](#)).

¹⁷ This includes 1,389 homes held by owners with 10 to 25 properties, 777 by those with 25 to 100, and 337 by owners with over 100 properties. Ref: La Voz de Ibiza. (2023, September 8). Los dueños de Ibiza y Formentera: cuántos tienen más de 10, 25 y 100 propiedades. Data sourced from the national property registry (Catastro Inmobiliario). ([Available online](#)).

¹⁸ From interview with Mario Manjón Rosado, Provivienda, on the 4th of June 2025.

¹⁹ From interview with Gustavo Gómez Bello, Cáritas Diocesana Ibiza, on the 13th of February 2025.

may be empty or underutilised, but many of these may be second homes, inherited properties, or awaiting renovation. In the Ibiza municipality alone, 998 homes are empty and 300 are registered for tourist use. In areas such as La Marina, Dalt Vila and Figueretes, fewer than half of homes are listed as primary residences.²⁰ Some properties are tied up in inheritance disputes or legal limbo, while others are retained as second homes or deliberately withheld from the market. This paradox highlights that building more housing alone will not solve the crisis unless vacancy, speculation, and mistrust in the rental system are addressed. The shortage of affordable, year-round housing is now a structural constraint on Ibiza's economy. Public sector salaries, set nationally, stretch far less here than elsewhere, making it [difficult to recruit and retain](#) essential workers in education, healthcare, policing, and emergency response. In some cases, essential staff have been unable to [remain in post](#), particularly during peak season. While some public employees, such as teachers, receive an insularity allowance (*complemento de insularidad*) of up to €410/month, this is not extended to all essential staff (such as police). To put this into context, the average public sector salary of a teacher is [2,000](#) euros, and that of a policeman is [2,130](#) euros. Apartments rented year-round in Ibiza [cost](#) from around 1,200 euros for a one-bedroom and from around 2,400 euros for a 3-bedroom.



The private sector reports similar strains: 63% of SMEs cite difficulty finding staff as their biggest challenge, and one in four identify housing as the main barrier to expansion.²¹ In hospitality and nightlife, even iconic clubs have lost experienced employees who can no longer afford basic single rooms.²²

Vacancy and shortage together expose a housing system misaligned with the needs of residents and the sustainability of Ibiza's economy. Unlocking empty homes and expanding affordable, year-round supply are essential to breaking the cycle of labour shortages, economic strain, and unmet housing needs.

²⁰ Unfortunately, this useful data is not systematically available for all 5 municipalities on the island.

²¹ PIMEEF. (2024). Resultados encuesta de actividad 2024. PIMEEF. ([Available online](#)).

²² Diario de Ibiza. (2024, March 20). Ibiza nightclubs lose "good" employees due to lack of affordable housing. ([Available online](#)).

2.4 Displacement:

Limited housing forcing residents and workers off the island

Taken together, trends of unaffordability, insecurity, and shortages are pushing many residents, particularly young people and lower-income households, out of Ibiza. For them, secure, long-term housing is increasingly out of reach, narrowing the opportunity to build stable lives on the island.

Our survey revealed that one in two residents said the housing crisis was seriously affecting their lives, with many unable to find suitable accommodation or actively considering leaving. Younger respondents were the most likely to express a desire to relocate, often citing the impossibility of renting independently.

The workforce impacts are immediate. Employers in both the public and private sectors report that displacement of staff drives repeated recruitment cycles, loss of skills, and disruption of services. Health and education are particularly affected: nurses, teachers, and emergency medical technicians have in some cases been forced to commute daily from neighbouring island Mallorca.²³ Businesses, too, see high turnover as experienced staff leave for more affordable locations, eroding productivity and raising costs.

Displacement is therefore not just about individual hardship. It represents a systemic drain of skills and capacity from Ibiza, undermining the ability of services and businesses to function reliably. Sustaining Ibiza's long-term future requires tackling the drivers of displacement and ensuring that residents can remain, work, and build their lives locally.

²³ Reuters (2025), Spain's party island Ibiza also suffers housing crunch as rents soar. ([Available online](#)).

2.5 Fragmentation:

*Social and cultural cohesion
eroded by housing pressures*

“Housing is not just four walls to be bought and sold—it holds an entire life. [When local people leave] We are eroding local identity and creating social deserts.”

Iván Murray, Universitat de les Illes Balears

The housing crisis is reshaping Ibiza’s social and cultural life. In neighbourhoods increasingly oriented around tourism, long-time residents report feeling out of place. Rising prices, seasonal noise, and the prioritisation of visitor experiences disrupt daily routines and weaken bonds between neighbours. Local shops, schools, and associations find it harder to maintain continuity when families move away, and the shared rhythms that once defined community life are increasingly overshadowed by short-term cycles of arrivals and departures. Over time, this creates cultural displacement, where traditions, languages, and references that define local identity become less visible in public space.

Generational continuity is also under strain. Younger people face barriers to living independently, reducing their participation in community institutions, while older residents worry that their children will need to leave the island to build stable lives. In Spain, and particularly in the Balearic Islands, homeownership carries deep cultural significance, symbolising family continuity, social mobility, and intergenerational security.²⁴ As access to ownership declines, this disconnect undermines the intergenerational exchange that sustains cultural practices and local heritage. Residents also raised concerns about power and accountability. In interviews and survey responses, many pointed to the growing influence of external actors—whether investors, companies, or second-home owners—in shaping housing and land use. The issue is not nationality, but responsibility: as property ownership and decision-making become increasingly detached from those who live year-round on the island, there is a perception that

²⁴ Fuster, N., Arundel, R., & Susino, J. (2018). From a culture of homeownership to generation rent: housing discourses of young adults in Spain. *Journal of Youth Studies*, 22(5), 585–603. ([Available online](#)).

decisions are driven by short-term returns for a few rather than the long-term well-being of the community.

Fragmentation, therefore, represents more than economic stress; it is a fracture in the social fabric and civic trust that holds Ibiza together. Addressing the housing crisis must involve rebuilding these connections, ensuring that land and housing decisions serve the shared, long-term interests of those who call the island home.

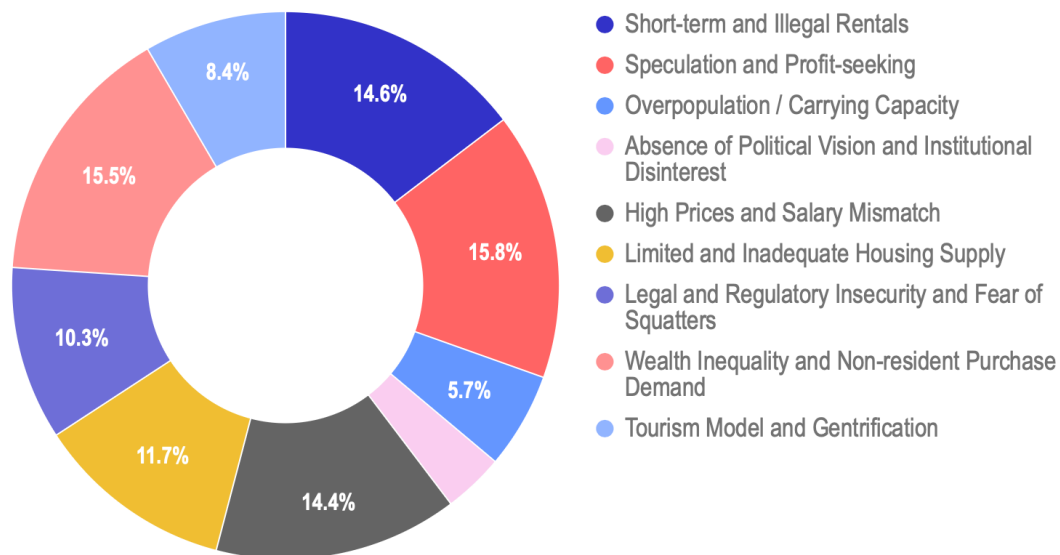
Taken together, these pressures reveal how Ibiza's housing crisis is lived not only as an economic challenge, but as a daily struggle for dignity, security, and belonging. Insecurity, unaffordability, vacancy, displacement, and fragmentation interact to destabilise households, strain businesses, and weaken the island's social fabric. The result is a housing system that no longer matches the needs of its residents or its economy, eroding both opportunity and cohesion. Addressing this requires looking beyond symptoms to the deeper forces that sustain them. The following section explores these underlying drivers, showing how policy choices, market dynamics, and governance gaps set the structural conditions for the crisis to persist.

3. Drivers Of The Crisis

Ibiza's housing crisis is not the result of a single cause but of overlapping structural forces. In our survey, residents most often pointed to speculation and profit-seeking, non-resident purchases, and short-term rentals, alongside high prices outpacing wages, limited supply, and legal insecurity. These perceptions reflect deeper policy gaps, market distortions, and governance failures that sustain affordability pressures. This section explores five key drivers, undersupply, speculation, seasonality, uncertainty, and blindspots, showing how they interact to reinforce the crisis and limit effective responses.

In our survey, many participants identified multiple overlapping factors behind the crisis, reflecting a deep sense of complexity and frustration (see chart). The most commonly cited drivers were speculation and profit-seeking (15.8%), wealth inequality and non-resident purchases (15.5%), and short-term

and illegal rentals (14.6%). Other frequently mentioned themes included high prices outpacing salaries, a limited housing supply, and legal and regulatory insecurity. The results highlight how residents connect the crisis not just to supply and demand, but to systemic failures around affordability, governance, and the island's economic model.²⁵



3.1 *Undersupply: Chronic undersupply of permanently affordable housing*

In our survey, many residents pointed to limited housing supply as a core driver of the crisis. Respondents expressed frustration that new building activity has not translated into affordable homes for locals, reinforcing the sense of a structural shortfall.

This perception is borne out in national and regional data. Since 1952, Spain has subsidised the construction of more than 6.8 million homes²⁶ (about a quarter of the national housing stock), but most lost their protected status over time and were sold on the private market. As a result, Spain now has one of the smallest shares of social rental housing in Europe: less than 1% of homes are protected for resale and only 1.5% are protected as social rentals

²⁵ Business Fights Poverty & (Ma) Laboratorio de Transformación Sostenible. (2025). Housing and Quality of Life in Ibiza. Survey of 1000+ respondents who are resident on the island ([Available online](#)).

²⁶ Bosch, J., & Trilla, C. (2019). *Housing system and welfare state: The Spanish case within the European context*. Observatorio Social de la Fundación “la Caixa”. ([Available online](#)).

(2.5% combined)²⁷, compared to 8–9% in the EU²⁸ and a recommended target of 15%.²⁹ Public investment is also among the lowest in Europe, at just 0.23% of GDP and 0.1% of total public spending.³⁰

In the Balearic Islands, the gap is even starker. Between 2011 and 2019, only 3.5% of new homes were protected, falling to just 0.13% of all sales in 2023–24.³¹ Law 3/2024³² aims to reverse this by making new protected or price-limited homes permanently affordable.³³ Additional reforms enable the reclassification of rural land and the legalisation of buildings, requiring 50% of new units in these developments to be protected. Yet there are no safeguards to ensure the remaining half serves year-round residents.

Ibiza's geographic and ecological limits compound this undersupply. Buildable land is inherently scarce and subject to competing residential, tourism, agricultural, and conservation demands. Further expansion risks damaging ecosystems, landscapes, and overstretched resources. Without a territorial planning framework that aligns housing with social and environmental carrying capacity, even well-intentioned policies risk being outpaced by speculation and competing uses. Tackling undersupply, therefore, requires prioritising scarce land for year-round, affordable housing rather than uncoordinated expansion.

3.2 *Speculation: Financialisation and speculative investment driving unaffordability*

In our survey, speculation was the most commonly cited driver of the housing crisis (15.8%). Respondents linked rising prices to profit-seeking, non-resident purchases, and the treatment of housing as an investment

²⁷ Provivienda. (2023, November 27). *AVIVAS: la primera alianza estatal por la vivienda asequible y social*. ([Available online](#)).

²⁸ Braga, M., & Palvarini, P. (2013, January). Social housing in the European Union (PE 492.469). Directorate-General for Internal Policies, European ([Available Online](#))

²⁹ European Youth Forum. (2014, April). Youth policy paper on housing (YFJ Policy Paper 2504–14). ([Available online](#)).

³⁰ Bosch, J., & Trilla, C. (2019). Housing system and welfare state: The Spanish case within the European context. Observatorio Social de la Fundación “la Caixa”. ([Available online](#)).

³¹ Cadena Ser. (2022, February 2.) El Govern reconeix que el percentatge de VPO respecte al total de vivenda es muy pequeño. ([Available online](#)).

³² Ley 3/2024, de 3 de mayo, de medidas urgentes en materia de vivienda en las Illes Balears. (2024, 3 de mayo). *Bulletí Oficial de les Illes Balears*, núm. 48. ([Available online](#)).

³³ An area is designated as a “stressed housing market” (zona tensionada) if one or more of the following conditions are met: (i) housing costs (rent or mortgage plus utilities) exceed 30% of the average household income in the area; or (ii) over the past five years, the average sale or rental price has increased by at least 3 percentage points above the regional Consumer Price Index (CPI).

vehicle—evidence, for many, that the housing market has drifted away from serving local needs..

Ibiza's growth model has long relied on the intensive use of labour and physical resources. Yet this expansion has not translated into well-being for most residents. According to Fundación Impulsa Balear, the Balearic economy grew by 44% over the past 23 years, but only 4.4% of that growth came from productivity gains, compared to 50% in the EU overall. This imbalance has meant low wages, precarious jobs, and a reliance on external labour, all of which increase pressure on the housing system.

At the same time, property has become the preferred vehicle for capital, with high returns diverting investment away from productive sectors.. Today, over 80% of home purchases on the island are made by non-residents.³⁴ Estimates

“The challenge for the Balearic Islands is to move from a logic of quantitative growth to one based on generating greater value: economic (productivity), social (quality of life) and environmental (ecosystem regeneration)”.

Antoni Riera, Fundación Impulsa Balear

suggest that as many as 18,000 homes may be empty or underused for much of the year.³⁵ Locals with average incomes cannot compete with this external purchasing power, and younger households in particular are squeezed out of both ownership and stable long-term rentals.

Speculative dynamics also contribute to a growing concentration of wealth. As individual homeownership declines, properties are increasingly consolidated by large investors and high-net-worth individuals. This fuels displacement, deepens inequality, and reshapes entire neighbourhoods for seasonal or luxury use.

Yet the scope for local intervention is limited. EU rules on free movement of capital prevent regional or municipal authorities from restricting property purchases by non-residents. While other European countries have deployed

³⁴ Carlos Lucas Cardona. (2025, July 5). El residente, prácticamente expulsado del mercado. Periódico de Ibiza y Formentera. ([Available online](#)).

³⁵ From an interview with Gustavo Gómez Bello, Cáritas Diocesana Ibiza on the 13th of February 2025.

stronger instruments to prioritise year round resident use, Spain's existing mechanisms remain limited. Without more effective mechanisms, speculative demand continues to distort the market and exclude locals.

“Growth is not infinite. Any model we promote must plan for the needs it generates. When we raise hotel categories, we also increase staff, and each job brings more housing demand. Decisions are not good or bad in themselves, but they require balance and foresight to ensure the island can absorb the pressures they create.”

Enrique Gómez Bastida, Director of Unlicensed Rentals Compliance, Consell d'Eivissa

Seasonality: *Tourism pressure on housing*

Tourism-driven seasonal housing demand exacerbating scarcity Tourism underpins Ibiza's economy but also distorts its housing system. Residential stock is converted to tourist use, and the seasonal economy generates intense short-term labour demand without adequate housing provision. In our survey, 14.6% of respondents identified short-term and illegal rentals as a key driver of the crisis, reflecting widespread concern that tourism demand displaces year-round residents.

The scale of short-term holiday rentals (STRs) illustrates this impact. By 2025, the Balearic Islands had 24,361 registered tourist dwellings,³⁶ many concentrated in high-demand areas. In Ibiza, STRs have contributed directly to rising prices in both rental and sales markets. Despite regulations, including the 2025 ban on new licences in multi-family buildings, many units continue to operate outside the law. It is estimated that nearly 30% of holiday lets (over 7,000 homes) are rented without a tourist licence.³⁷

³⁶ SEGGITUR. (2025.). Viviendas de Uso Turístico. ([Available online](#)).

³⁷ Ministerio de Derechos Sociales, Consumo y Agenda 2030. (2025.) Consumo entrega al Govern balear información sobre 7.000 pisos turísticos que se anuncian sin incluir el número de licencia. Ministerio de Derechos Sociales, Consumo y Agenda 2030 (nota de prensa), 6 Febrero. ([Available online](#)).

Seasonal and essential workers feel these pressures most acutely. Many are forced into overcrowded flats, informal rentals, or makeshift shelters. While some employers provide housing, these arrangements often involve renting ordinary homes from the existing stock, directly competing with families seeking year-round accommodation.³⁸ The convergence of tourism-driven demand and insufficient worker housing intensifies scarcity, undermines labour stability, and erodes access to secure homes for residents.

Addressing seasonality requires not only stricter enforcement of STR regulation but also proactive planning to ensure that the jobs created by tourism are matched by an adequate, affordable housing supply.

3.4 *Uncertainty: Legal uncertainty and institutional distrust limiting rental supply*

Legal insecurity is another factor constraining Ibiza's housing system. Many property owners hesitate to offer long-term rentals due to fears of non-payment, illegal occupation, or lengthy court processes to regain possession. These concerns are particularly acute among small landlords with only one or two units, who feel they cannot absorb the financial risks of a problematic tenancy.

In our survey, residents highlighted legal and regulatory insecurity as a recurring driver of the crisis, echoing the hesitancy described by property owners themselves. One in three owners who do not rent long-term cited fear of occupation, non-payment, or slow judicial eviction processes as their main reason. Although objective data suggests that the scale of these incidents may be smaller than perceived,³⁹ the impact of these fears is very real: they discourage landlords from entering the long-term rental market and reinforce a climate of mistrust.

Public initiatives such as the *Lloguer Segur* programme,⁴⁰ which guarantees rent payments and offers tenancy management, have struggled to overcome this scepticism. For some owners, the assurance of a public guarantee is

³⁸ There is no official INE data distinguishing between residents and seasonal non-residents in Ibiza, making it difficult to quantify the additional pressure on housing during the summer months. It is worth noting that during the summer of 2023 a total of [31,700](#) workers were registered as working in the hospitality sector in Ibiza.

³⁹ Some tenant advocacy groups argue that this perception is overstated, citing declining numbers of formal legal cases in recent years.

⁴⁰ The *Lloguer Segur* programme is a Balearic government scheme that guarantees rental payments to landlords and manages leases through public or NGO intermediaries. It aims to encourage long-term rentals by reducing perceived risks, though uptake has been limited due to low trust and competition from more lucrative short-term lets.

outweighed by doubts about bureaucratic delays or the impartiality of enforcement. This disconnect between policy intent and owner confidence limits the effectiveness of existing tools.

At the same time, tighter restrictions on short-term tourist rentals have prompted many landlords to shift towards seasonal contracts. These are seen as safer and more flexible, but they reduce the stock of secure, year-round homes available to residents. The result is a fragmented rental market where tenants face instability and rising costs, while owners remain wary of committing to long-term leases.

Restoring confidence in long-term renting will depend on a combination of credible public guarantees, faster and fairer judicial processes, and balanced protections that reassure landlords while safeguarding tenants' rights.

3.5 *Blindspots: Inadequate data and governance gaps hindering informed planning*

Despite widespread concern, Ibiza still lacks the reliable data needed to guide housing policy. In our survey, residents frequently pointed to systemic failures in governance, reflecting frustration that institutions are not working from a shared evidence base. Key elements, such as second-home use, underutilised dwellings, and informal rentals, are poorly tracked or dispersed across agencies. Official statistics rarely distinguish between the needs of seasonal workers, families, and essential staff. Empty homes are also varied: some tied up in inheritance disputes, others used occasionally or withheld for speculation. Overcrowding, informal tenancies, and people living in vehicles or settlements are likewise underreported. These gaps make it difficult to grasp the true scale of the crisis or design effective, evidence-based responses.

The absence of an integrated territorial intelligence system linking housing with land use, infrastructure, economy, and environment has serious consequences. Without clarity on how much growth the island can sustain,⁴¹ or what housing types are most needed, planning decisions risk overshooting social and ecological thresholds.⁴²

⁴¹ Hernández, V. (2025, April 30). IbizaPreservation exige un estudio de carga «realista» para conocer capacidad isla. ([Available online](#)).

⁴² Several interviewees cautioned that economic positioning (especially the island's branding as a high-end tourist destination) can fuel speculative housing developments and distract from long-term priorities such as affordable housing, community wellbeing, and sustainable development.

Data weaknesses are compounded by fragmented governance. Municipalities hold urban planning responsibilities but face overlapping competences, limited resources, and weak coordination across levels. Legal authority is split between national, regional, island, and local actors, with no overarching framework to align housing policy (see Annex 3 for an outline of selected legal frameworks relevant to Ibiza and this report). Interviewees also noted a disconnect between housing, labour, and urban development strategies, with rezoning often proceeding without clarity on sustainable capacity. Limited participatory mechanisms further undermine trust: consultations are widely perceived as lacking neutrality, making consensus on long-term solutions more difficult.

Recent initiatives are beginning to respond. A regional housing observatory has been created, which could help build a more reliable evidence base, though its impact will depend on transparent governance and consistent data sharing. Monitoring of tourist rentals has also improved through AI-based systems that track online listings, offering a model for more transparent and reliable data collection.

Governance blindspots are reinforced by the short-term horizons of political cycles, where immediate pressures often outweigh long-term planning. This short-termism makes it harder to anticipate needs, evaluate cumulative impacts, and align housing policy with labour, land use, sustainability goals and the islands' carrying capacity.

Taken together, these drivers reveal how Ibiza's housing crisis is rooted not only in scarcity, but also in distorted incentives, weak governance, and fragmented systems. Addressing them requires coordinated action across public, private, and community actors, moving beyond piecemeal fixes toward structural solutions. The remainder of this report turns to solutions, exploring market, government, and community pathways to restore affordability and stability.

Part 2: Solutions

A Collaborative Path Forward

How can Ibiza move beyond crisis and reimagine housing for the future?

No single actor, whether public, private, or community-based, can address the challenge alone. Market-driven solutions bring innovation, finance, and employer action to expand access. Government-led measures provide the frameworks, safeguards, and resources needed to ensure housing serves the public interest. Community-based initiatives, through cooperatives and land trusts, anchor homes in long-term affordability and participation. Together, these approaches highlight how collaboration across sectors can rehabilitate existing stock, mobilise underused assets, and build a housing system that is more stable, inclusive, and resilient for the island's future.

4. Market-Driven Solutions

Businesses cannot replace government leadership, but they can play a decisive supporting role in tackling Ibiza’s housing crisis. Employers influence whether wages keep pace with local costs; developers, investors, and lenders shape what gets built and at what price; and companies can use their resources to support communities or advocate for fairer frameworks. This section explores three areas of business action—core operations, philanthropy, and advocacy—showing how private actors, when aligned with public goals, can expand affordable housing, de-risk innovation, and help build a more inclusive and resilient housing system.

4.1 The Role of Business

Business is not a substitute for government leadership, but it does have a vital complementary role. Within the frameworks that governments set, business decisions about wages, land, construction, finance, and partnerships have a significant impact on whether affordable, year-round homes are available. Globally, there is a growing recognition that companies influence housing outcomes, with promising examples that can inform practical action in Ibiza.

In this section, we explore three ways in which businesses can have an impact:⁴³

- **Core business operations:** Employers set wage levels and benefits that determine whether workers can access housing. Developers, construction firms, and social housing providers decide what gets built, refurbished, or reused and at what price point. Investors and lenders shape the flow of capital into speculative assets or into stable, long-term rental supply. When aligned with public goals, each of these actors can help close the affordability gap.

⁴³ The three-part framework is based on work by Jane Nelson, Founding Director, Corporate Responsibility Initiative, Harvard School, and built on by Business Fights Poverty.

- **Philanthropy and community investment:** Companies can dedicate funds, land, or expertise to expand affordable housing or support vulnerable groups. While often smaller in scale, philanthropic contributions can pilot innovative models or bridge urgent shortfalls.
- **Advocacy and engagement:** Companies and business coalitions can push for policies that enable more affordable housing, such as rent guarantees, incentives for adaptive reuse, or support for seasonal worker housing. By working alongside municipalities and civil society organisations, business can help design system-level solutions that are more resilient than piecemeal fixes.

The challenge, therefore, is not whether businesses should act, but how they do so. Are their actions expanding supply or competing for it? Are they reinforcing speculation or helping to de-risk affordability? Framed in this way, the role of business is to complement government leadership by ensuring that private capital, innovation, and advocacy contribute to long-term community benefit.

4.2 *Leveraging Core Business*

A. *Employers*

Employers play a central role in shaping housing affordability through wages and benefits. In high-cost contexts like Ibiza, the most direct contribution is paying a living wage that closes the gap between income and local housing costs. When workers can afford secure housing, businesses benefit too: improved recruitment, retention, productivity, and morale. Research shows that paying living wages reduces absenteeism, increases loyalty, and enhances brand reputation.⁴⁴ For example, PayPal linked wage increases to a 15% rise in revenue and 28% growth in profitability, while IKEA UK reported savings of up to £10 million from reduced turnover after committing to living wages.⁴⁵ However, some economists interviewed warned that raising wages without tackling housing supply risks fuelling rent inflation, as landlords may adjust prices upward to capture additional income.

⁴⁴ Business Fights Poverty, University of Cambridge, SHIFT (2022), The Case for Living Wages. ([Available online](#)).

⁴⁵ Ibid

Wages alone are not enough when housing supply is tight. Many employers, especially in tourism and hospitality, are stepping in to provide or facilitate staff accommodation. Large groups such as Meliá, Palladium and Balearia have developed staff accommodation through different approaches. The repurposing of non-residential buildings (such as hostels or underused hotels) offers faster alternatives, or a more efficient use of space, than relying solely on new housing developments. In other cases, companies have chosen to purchase homes on the open market to allocate them as staff accommodation. There are also examples of lease agreements where companies rent properties from small landlords, often with upfront payments for the entire season, financial guarantees and rental rates above the local average. While these arrangements are attractive for property owners, they also generate tensions and create unfair competition in the residential rental market.

“We are willing to collaborate and support our staff in finding housing, and in fact, there are companies which offer housing directly or indirectly, within their logistical and financial possibilities. What happens is that this subject is particularly complex and exceeds the general responsibility of companies. Moreover, the range of personal and family circumstances is so extensive that it is simply impossible to shift the focus of responsibility onto business management. On the other hand, and by no means a minor issue, any attempt to shift full responsibility onto the private sector would create a form of unfair competition with the wider pool of housing seekers and would ultimately displace local residents.”

José Antonio Roselló, CAEB

These efforts can ease workforce shortages, but if not carefully designed, they risk distorting the rental market, inflating rents or competing with local families in an already constrained housing market. Linking housing to seasonal employment also carries risks, as tenure insecurity and dependency can undermine worker well-being. The best practice is to ensure that employer-provided housing is decoupled from employment contracts, rents are capped, and standards are maintained, so that workers do not become

dependent or vulnerable. Cooperative consortia of local businesses could offer a fairer alternative to current employer practices, where firms either own housing or lease it from small owners at higher rates, competing with year-round residents. By pooling resources, businesses could instead retrofit dedicated properties for seasonal staff, easing pressure on local families. When combined responsibly, living wages and fair housing provision can reduce hardship, support workforce stability, and help sustain Ibiza's economy.

Examples

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| Paypal | Raised wages and increased healthcare subsidies so staff kept more disposable income, leading to 15% revenue growth and 28% profit increase. |
| IKEA UK | Adopted the voluntary Living Wage in 2016, based on real living costs ; reduced turnover saved £10 million and improved staff retention. |
| Unilever | Committed to ensuring a living wage across its entire supply chain by 2030, extending affordability and stability benefits beyond its direct workforce. ⁴⁶ |
| Mercadona | Pays entry-level wages about 27% above Spain's minimum wage and 24% above retail averages , with profit-sharing bonuses, and low turnover rates in retail. |
| Meliá Hotels International | Began offering housing to employees from 2023 and, by 2025, expanded into acquiring and leasing properties for staff accommodation. Such schemes ease recruitment but may compete with local residents without safeguards. |
| Barceló Hotels | Houses employees in its hotels and expanded into renting apartments or blocks in high-cost areas to accommodate staff. Such schemes ease recruitment but may compete with local residents without safeguards. |

⁴⁶ Ibid

RIU Hotels

Its recruitment strategy in the Canary Islands and Balearics includes [offering accommodation](#) to employees. Such schemes ease recruitment but may compete with local residents without safeguards.

B. Developers, Construction Firms, and Social Housing Providers

“Of course we would like to pay for a place to live, but the current market offers limited choices of crammed, insecure and overpriced apartments with a worse quality of life than here.”

Resident of Can Rova 2, settlement in Ibiza.

Developers and housing providers play a pivotal role in expanding affordable supply, particularly in high-cost, land-constrained settings like Ibiza. While traditional building models often take years and exceed local budgets, new approaches are showing how private initiative, when regulated and partnered with government, can expand affordable supply while preserving community value. Three models are particularly relevant.

- **Modular Construction:** Off-site and modular building methods can cut costs, shorten timelines, and reduce environmental impacts. International partnerships such as [BoKlok](#) (IKEA and Skanska in Sweden/UK) show how timber-frame, factory-built housing can deliver affordability at scale. Other examples, like [Tecno Fast](#) in Chile or [MyBOX](#) in Madrid, highlight how entire developments for key workers have been delivered within months, with rents below market rates. For Ibiza, where speed and limited land availability are critical, modular methods could provide a pathway to expand affordable housing while respecting environmental limits.
- **Adaptive Reuse:** Reusing existing buildings can unlock hidden capacity in the built environment. The [Kleiburg](#) project in Amsterdam illustrates how refurbishment, rather than demolition, can cut costs, avoid waste, and revitalise communities. In Spain, [La Casa por el Tejado](#) demonstrates how lightweight rooftop modular units can expand supply while funding building-wide upgrades such as lifts, acoustic or

thermal insulation, or façade repairs, benefitting all residents. Under Ibiza’s new Law 3/2024, such rooftop developments must be registered as HPL Type 2, ensuring permanent affordability.⁴⁷

- **Co-Living for Seasonal Housing:** Beyond physical structures, adaptive co-living models, with roots in the Netherlands’ squatting and cooperative housing traditions, show how shared spaces can be governed to preserve social value.⁴⁸ Law 3/2024 formally recognises shared housing with common facilities, and if designated as HPL, these units can ensure permanent affordability. Properly regulated, co-livings can meet seasonal workforce needs while reducing overcrowding and informal rentals. International examples show different aims: in the US [Republik](#) converts empty hotels and offices into long-term workforce housing by keeping renovations essential to control costs; in Europe, [Roam](#) has retrofitted properties in just two to three months by streamlining legal, design, renovation and marketing phases. While serving different markets, both models show fast, low-cost retrofitting with parallel workflows could inspire seasonal housing solutions.
- **Hybrid-Use and Flexible Licensing:** In Ibiza, the Island Council allows the temporary suspension of tourist licenses for up to three years so that short-term tourist apartments can be used as seasonal rentals (during a limited number of months). Elsewhere, operators such as [Selina](#) have tested dual-use systems where parts of a building shift between tourist stays and longer-term housing. Combining these approaches—temporary suspensions already permitted on the island with pilots of dual-use frameworks—could open new pathways for supply. With clear safeguards on affordability and targeted incentives for local SMEs, such flexibility could encourage wider private sector participation while avoiding negative impacts on permanent housing.
- **Empowering Local Actors for Seasonal Housing:** Cooperative models led by local SMEs could retrofit underused touristic buildings into capped-rent housing for seasonal workers. To ensure fairness, support should be allocated transparently, with eligibility tied to local work contracts and proof of local operation, ensuring benefits reach smaller, community-rooted actors rather than speculative groups. PIMEEF could convene such consortia, supported by public tools such as

⁴⁷ Limited Price Housing (HPL) refers to homes sold or rented at prices capped by law to keep them affordable for local residents.

⁴⁸ Minkjan, M. (2018). Tracing the impact of squatting on the Dutch urban landscape. In R. Boer, M. Otero Verzier, & K. Truijen (Eds.), *Architecture of appropriation: On squatting as spatial practice*. Het Nieuwe Instituut. ([Available Online](#))

temporary-use licences or low-interest loans, so that new staff accommodation expands supply without displacing families.

Beyond these innovative construction and reuse models, intentional inclusion is just as critical. Social housing providers play an important role here, but all developers can be part of the solution when affordability is built in from the start. Firms like [Fundación SALAS](#) in Spain show that affordability can be built into the business model. By partnering with municipalities, SALAS uses public land under long-term surface rights, combines low-interest public financing (ICO or ICF), and caps rents or sale prices below market levels to ensure lasting affordability. Partnering with mission-aligned developers specialised in affordable housing can reduce administrative burdens, speed up delivery, and ensure investments align with community needs, essential in a market dominated by land scarcity and speculative pressure. In Berlin, Siemens co-developed a €750m smart district on former industrial land where 30% of 2,750 homes are dedicated to social housing, mandated by planning law. This example shows how clear public frameworks can guide private capital toward public goals, ensuring that new housing contributes to long-term affordability rather than being lost to market speculation.

These approaches show how innovation and inclusion can expand supply without sacrificing social value. For Ibiza, the opportunity lies in ensuring new development contributes to long-term affordability and strengthens the island's communities.

Examples

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| BoKlok (IKEA + Skanska) | Partnership delivering <u>modular, timber-frame homes</u> at lower cost through off-site construction. The model shows how value-driven joint delivery can scale affordable housing. |
| MyBOX | Completed 20 <u>modular units for key workers</u> in four months, offering rents around 15% below market rates. |
| La Casa por el Tejado | Adds <u>modular rooftop units</u> to existing buildings, financing building-wide improvements. Shows how latent space can expand supply without consuming scarce land. |
| Kleiburg | A 500-unit block with €70m rebuild costs was sold for €1 and <u>converted into low-cost DIY homes</u> , avoiding demolition. Without resale caps, many later entered speculation. |

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| Roam | Retrofits underused properties, including a former monastery in Madrid, into co-living spaces within months, through rapid conversion processes. |
| Selina | Tested hybrid-use models combining tourist stays with longer residencies , illustrating how dual-use licensing could allow seasonal housing. |
| SALAS | Uses public land under long-term surface rights, combines low-interest public financing (ICO or ICF), and caps rents or sale prices below market levels to ensure lasting affordability. |
| Siemens | Co-developing a €750m smart district on former industrial land, with 30% of 2,750 homes allocated as social housing . |

C. *Investors and Lenders*

Ibiza's housing market is currently dominated by short-term, high-return investment, favouring tourist rentals, second homes, and speculative development. Redirecting capital flows is therefore critical. Across Europe, a wide range of investors, from pension funds to ethical banks, are showing that private capital, when patient and values-driven, can expand affordable supply while delivering predictable returns. Three approaches stand out:

- **Institutional Investors with Public Mandates:** Pension funds and insurance companies are increasingly mobilised to invest in affordable housing where supportive frameworks exist. [Legal & General Affordable Homes](#) in the UK delivers around 3,000 homes annually through rental and shared ownership, retaining long-term ownership to safeguard affordability. Similarly, Dutch pension funds [APG and PGGM](#) partner with municipalities to provide mid-rent and social rental housing that prioritises stability, energy efficiency, and affordability. These examples show how patient, large-scale capital can complement public policy to expand access.
- **Impact-Oriented Investment Vehicles:** Blended finance models are emerging that combine modest returns with strong affordability commitments. [CaixaBank's Alquiler Básico](#) in Spain repurposes unsold homes into more than 4,000 below-market rentals, operated in partnership with social services. Spain's [tuTECHÔ](#), a social

mission-driven real estate investor, channels private capital into homes leased 30% below market rates for NGOs serving people facing homelessness, capping returns at around 3%. France's [Habitat et Humanisme](#) mobilises solidarity investment funds and social bonds, attracting mission-aligned investors with tax incentives while safeguarding affordability. Each case illustrates how financial engineering can be harnessed for inclusion rather than speculation.

- **Ethical and Cooperative Finance:** Beyond institutions, a quieter ecosystem of mission-driven banks and cooperatives is helping remove homes from speculative markets altogether. In Spain, [Fiare Banca Etica](#) and [Coop57](#) provide loans to housing cooperatives and cohousing projects, typically covering up to 80% of costs with the remainder raised by members. These projects often use use-right models that prohibit resale, ensuring permanent affordability. By reinforcing collective ownership, such mechanisms strengthen community control while broadening access to finance for grassroots initiatives.



For Ibiza, the lesson is clear: not all capital is equal. Across Europe, policies are testing incentives for responsible investment and disincentives for extractive models. Speculative flows will continue to inflate prices unless counterbalanced by patient, mission-driven investment. By pairing public frameworks with institutional, impact, and cooperative finance, the island could attract resources that strengthen housing access while protecting long-term community value.

Examples

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| Legal & General Affordable Homes | Delivers around 3,000 affordable homes annually through rental and shared ownership, retaining long-term ownership to preserve affordability and creating gradual access to ownership for middle- and low-income households. |
| APG | Dutch pension fund investing in mid-rent and social rental housing with municipalities, prioritising stable long-term returns and energy efficiency. |
| CaixaBank Alquiler Básico | Repurposes unsold homes into over 4,000 affordable rentals in partnership with NGOs and social services. |
| tuTECHÔ | Spain's first social SOCIMI leases homes 30% below market to NGOs, capping returns at around 3% and reinvesting profits. It leverages listed structures to attract impact capital while ensuring transparency and long-term affordability . |
| Primero H SOCIMI | Buys homes dispersed across cities and leases them long-term to vulnerable tenants . Operated by non-profits; blends philanthropic and private impact capital. |
| Habitat et Humanisme | Mobilises solidarity investment funds and social bonds to finance affordable housing , combining investor tax incentives with community-oriented models. |
| University of Winnipeg | Through its not-for-profit arm UWCRC 2.0, the university developed mixed-income housing that cross-subsidises affordable units with market rents, retaining ownership to keep homes non-speculative and community-oriented. ⁴⁹ |
| Fiare Banca Etica | Provides loans to housing co-ops and cohousing groups , keeping homes permanently outside speculative markets. |

⁴⁹ Jackson, E., & Read, J. (2024). Less talk, more builds: The mixed-income residential tower model of the University of Winnipeg Community Renewal Corporation. *Engaged Scholar Journal: Community-Engaged Research, Teaching, and Learning*, 10(2), 85–103. ([Available online](#))

4.3 Targeting Philanthropy

Philanthropy offers another pathway for businesses to address housing insecurity, complementing their role as employers, developers, or investors. While not a substitute for government action, corporate donations, foundations, and in-kind contributions can strengthen the capacity of NGOs, municipalities, and social housing providers to reach vulnerable groups. These initiatives are often most effective in moments of crisis, when resources need to be mobilised quickly, or in addressing the needs of those furthest from the market.

Globally, tech companies in high-cost regions like California have made headline commitments, with Google, Meta, and Apple pledging billions for affordable housing through land donations, housing funds, and partnerships with non-profits. While these initiatives raise important debates around land ownership and long-term benefit, they demonstrate how corporate resources can be redirected to help stabilise local housing systems.

In Spain, several major foundations and companies have also stepped in. The Amancio Ortega Foundation partnered with Cáritas in 2023 on the €15 million [Una Vivienda, un Hogar](#) programme, providing rent support, home repairs, and utility payments for some 15,000 vulnerable people. Fundación Iberdrola has [supported housing for homeless women](#) in Bilbao, while CaixaBank's [social housing programmes](#) have released over 12,000 units at below-market rents for low-income households, youth, and seniors.

Companies have also combined philanthropy with in-kind expertise. In 2025, IKEA Spain partnered with Sant Joan de Déu in Barcelona to convert a residence into 27 [transitional apartments for homeless youth](#), donating €121,000 as well as furniture, décor, and training support. These projects show how philanthropic capital can go beyond cash donations, mobilising corporate assets and knowledge to create lasting community benefit.

At the same time, beyond responding to immediate needs, philanthropy can also play a catalytic role in piloting innovative housing solutions. Because philanthropic capital is often more flexible than public funding or commercial investment, it can be used to test models that may seem risky or unproven at first, such as community-led housing, transitional accommodation, or hybrid-use developments. Successful pilots can then be scaled up by government programmes or impact investors, allowing philanthropic contributions to unlock larger, longer-term change.

For Ibiza, philanthropy will not solve systemic shortages on its own, but it can be an important complement, expanding social rental stock, supporting emergency needs, and empowering NGOs to serve those most at risk of exclusion.

Examples

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| Google | \$1 billion commitment. Repurposed corporate land for nonprofit/public mixed-income housing in the Bay Area of San Francisco. |
| Meta | \$1 billion housing fund to build 20,000 homes. Supported land and capital for essential worker housing . |
| Apple | \$2.5 billion in California to address housing shortages, combining land donations, housing funds, and first-time buyer mortgage support to expand supply for lower income households. |
| Amancio Ortega Foundation & Cáritas | Launched the Una Vivienda, un Hogar programme with €15 million to support 15,000 vulnerable people in Spain through rent aid, repairs, and utility support. |
| Fundación Iberdrola | Funded supported apartments for homeless women in Bilbao, enabling housing and social support for 19 women in extreme vulnerability. |
| CaixaBank (Obra Social “la Caixa”) | Made over 12,400 housing units available at below-market rents for low-income families, youth, and seniors, often in partnership with public authorities. |
| BBVA | Donated 200 empty homes across Spain to shelter up to 800 Ukrainian refugees during the 2022 humanitarian crisis. |
| IKEA Spain | Partnered with Sant Joan de Déu in 2025 to create 27 transitional apartments for homeless youth in Barcelona, donating €121,000 plus furniture and training support. |

4.4 Advocating and Engaging

“The search for solutions has to come from the public authorities, but their execution must be carried out by the private sector. Believing that public authorities can solve the housing problem by building all the homes that are needed is deceiving ourselves.”

Mariano Juan Colomar, Consell d'Eivissa

Market solutions cannot thrive without the right enabling environment. In Ibiza, where planning decisions are fragmented and capacity is limited, strengthening this enabling layer is critical to ensure housing serves long-term public value rather than speculative interests. Businesses can play a constructive role by advocating for policies that safeguard affordability, supporting reforms that make it easier for responsible actors to contribute, and partnering directly with public authorities to deliver housing that balances economic and social value.

- **Advocacy for housing policy that supports affordability:** Employers and business associations can use their influence to call for stronger frameworks that ensure housing meets community needs. This includes supporting rent regulation where appropriate, inclusionary zoning, land-use reforms, and subsidies that expand access for lower-income groups. While government must lead, business voices can reinforce the urgency of affordability as a priority for economic stability and workforce sustainability.
- **Advocacy for enabling private sector engagement:** Companies can also push for practical reforms that unlock non-speculative housing delivery. Examples include temporary-use licences for underused properties, dual-use permissions that allow hybrid short-term and seasonal housing, and retrofit exemptions to speed up conversions. Public authorities can further enable this through low-interest loans, co-financing, and technical assistance, ensuring SMEs and cooperatives are prioritised and not excluded from participation. Such measures create space for innovation while being grounded in community benefit. Business associations such as CAEB, PIMEEF, or the hotel federation could advocate for a framework enabling SMEs to temporarily use their licensed tourist bedplaces for seasonal worker

housing without losing the licence. These pilots would require enabling legislation, fiscal incentives, and safeguards to ensure affordability and non-competition with year-round residents, while allowing older buildings and small operators to contribute to supply without disproportionate risk nor losing ownership. Local associations could also call on the island council to test frameworks similar to [Tignes](#) (France), where municipalities coordinate with employers and social landlords to provide seasonal housing under comparable principles, meeting workforce needs while protecting permanent housing.

- **Partnerships with public authorities:** Businesses can work directly with municipalities to align private investment with public goals. In Spain, [Fundación SALAS](#) partners with municipalities to develop affordable housing on public land under long-term surface rights, combining capped rents with low-interest public financing. Public-Private Partnerships, such as Madrid's [Plan Vive](#), show how surface rights can activate public land, though Ibiza would need stronger affordability safeguards and oversight to ensure lasting community value. In France, private developers now build around half of all new social housing (up from just 3% in 2007), enabled by tax incentives, presale agreements between private developers and housing associations⁵⁰ and coordinated public finance.⁵¹ Tools like [VisualUrb](#) are helping consolidate planning, environmental, and construction data across municipalities, enabling more transparent and evidence-based decisions. Improved access to data brings opportunities but also risks. Transparent governance and clearly defined public-interest uses are needed to ensure it supports long-term housing goals and does not fuel speculation. In Lisbon, the [Housing Hackathon](#) mobilised developers and entrepreneurs to co-design housing solutions alongside government. Interviews for this report raised ideas around trading building rights for affordable homes—for example, councils inviting businesses to build affordable housing on larger, less central plots in return for rights on smaller, council-owned plots in more sought-after areas, or granting developers air rights for market-rate housing on the condition that they construct multiple affordable units elsewhere. When land, finance, and data are pooled through public-private partnerships, affordable homes can be delivered more quickly and sustainably, provided safeguards are in place to prevent loss of affordability.

⁵⁰ Pollard, J. (2022). The political conditions of the rise of real-estate developers in French housing policies. *Environment and Planning C: Politics and Space*, 41(2), 274–291. (Available online). <https://doi.org/10.1177/23996544221129125>

⁵¹ Acolin, A. (2021). The public sector plays an important role in supporting French renters. Brookings Institution, April 20, 2021. (Available online).

By advocating for the right frameworks, enabling reforms, and genuine partnerships, businesses can help create the systemic conditions for affordable housing to flourish.

Examples

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| Fundación SALAS | Partners with municipalities to develop housing on public land under long-term surface rights, combining low-interest financing with capped rents or prices to ensure lasting affordability. |
| Lisbon Housing Hackathon | Mobilised developers, entrepreneurs, and public authorities to co-design data-driven housing solutions , showing how shared datasets and innovation can strengthen affordable housing planning. |
| VisualUrb | A digital platform consolidating planning, environmental, and construction data across municipalities, enabling more transparent and evidence-based land-use and housing decisions. |
| Plan Vive | Grants 50-year surface rights on public land in Madrid to deliver rental homes at 20–30 % below market rate , with ownership reverting to the state. |
| Homes England | National housing agency that co-invests with private developers, pension funds, and impact investors , blending public finance with private capital to expand affordable rental and ownership housing. Provides seed funding and grants that reduce early-stage risk |
| France's Intermediate Rent Programmes | France structures public housing into three affordability tiers, framing co-investment between local authorities and private developers , leveraging subsidised loans and tax benefits while enforcing conditions on rent, eligibility, and long-term affordability. |
| Santa Ana PPPs | Transformed city- and county-owned land in California into supportive housing through public-private partnerships , serving vulnerable groups. |
| Barcelona Right to Housing Plan | Demonstrates how business advocacy can align with municipal reforms , including inclusionary zoning requiring developers to allocate 30% of new developments to affordable housing. |

Tignes Seasonal Housing

[Municipality-managed housing pool for seasonal workers](#), developed with social landlords and allocated via employers. Protects year-round housing stock by ringfencing seasonal supply and ensuring permanent homes remain principal residencies.

4.5 Guiding Principles for Ibiza

1. **Safeguard long-term affordability:** All new housing, whether modular, adaptive reuse, or financed by private capital, should include conditions (e.g. HPL, use-rights, covenants)⁵² to keep units permanently affordable.
2. **Deploy modular and adaptive construction strategically:** Off-site, lightweight, and rooftop builds can cut costs and timelines, but must align with environmental limits and local hiring to avoid displacement.
3. **Prioritise reuse before expansion:** Converting empty, underused, or unfinished properties (hotels, offices, rooftops) into homes maximises existing stock and reduces environmental and social pressures on scarce land.
4. **Tie building rights to shared community benefit:** Rooftop or land development rights should be linked to upgrades for existing residents (retrofits, lifts, insulation) or requirements for affordable housing elsewhere.
5. **Design seasonal housing with fairness safeguards:** Co-living or employer-led housing should cap rents, meet minimum quality standards, and be decoupled from employment contracts to prevent dependency.
6. **Allocate support transparently:** Require proof of local operation, seasonal employment and ownership transparency to ensure local SMEs can access support, with incentives (temporary-use licences, dual-use permissions) tied to clear eligibility.

⁵² Examples include: setting sales and rental price caps or restricting eligibility to permanent residents.

- 7. Contribute beyond internal needs:** Employers should engage in sector-wide efforts that link living wages with housing policy, while ensuring staff housing expands supply through repurposing rather than competing with families on the open market.
- 8. Direct investment toward social outcomes, not speculation:** Encourage mission-driven capital and disincentivise extractive finance through tax policy, land use regulation, and ESG-aligned investment frameworks.
- 9. Use land and capital responsibly:** On islands, land is finite. Businesses should work with municipalities, cooperatives, or land trusts to co-develop mixed-use areas that prioritise affordability and long-term community benefit. .
- 10. Ensure accountability and participation:** Oversight, community engagement, and cross-municipal planning can align projects with public goals. Shared data must be used to build trust and ensure decisions reflect real capacity and long-term needs.



5. Government-Led Solutions

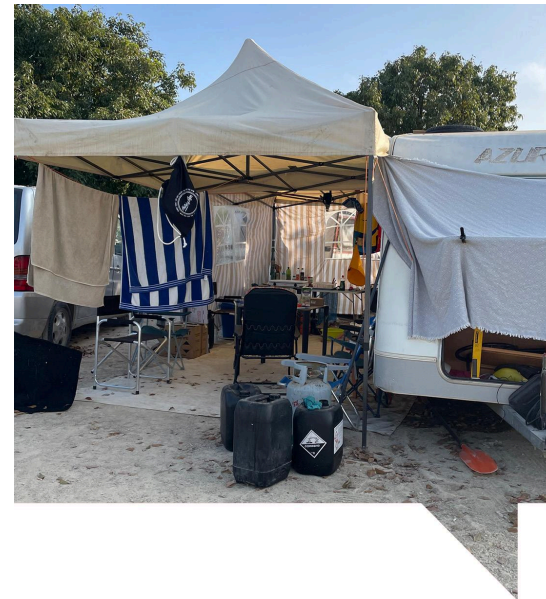
Government is central to resolving Ibiza's housing crisis. Seasonal demand, scarce land, and speculative pressures mean markets alone cannot deliver affordability or stability. Public authorities hold the levers of legislation, taxation, planning, and direct investment, and their choices shape whether homes are secured for residents or diverted to other uses. By guaranteeing basic rights, mobilising and upgrading empty stock, delivering new housing strategically, and preserving homes for residents, government can expand access and embed affordability as a long-term public good.

5.1 *Addressing Informal and Precarious Housing*

Informal housing in Ibiza has become widespread, with residents, including tourism, healthcare, and education workers, living in caravans, makeshift settlements, or overcrowded, undocumented homes. For many priced out of the formal market, informality is the only option. A balanced, rights-based response must combine short-term harm reduction with pathways into stable housing, protecting health and dignity while tackling structural exclusion.⁵³

The priority is to protect basic rights regardless of housing status. Households in extreme exclusion face immediate risks to safety and wellbeing.⁵⁴

Some interviewees reported paying up to €400 simply to register an address to enrol children in school or access medical care, creating informal economies of exploitation. Access to water and



⁵³ This approach draws on FOESSA's [residential exclusion framework](#), which categorises situations from inadequate housing to extreme exclusion. For clarity and applicability in Ibiza, the model is presented here in a simplified two-tier form, linking short-term protection to long-term integration.

⁵⁴ In Spain, a 2024 [clarification](#) of the municipal registration system allows people living informally to register for health care, education, and basic legal protections through the *empadronamiento sin domicilio* (registration without a fixed address).

sanitation is equally urgent, with some settlements lacking toilets or running water.⁵⁵ European cities show that basic rights can be guaranteed in informal contexts, without granting formal recognition to the settlements: during COVID-19, [Solidarités International](#) worked with French municipalities to install emergency water points in French camps.⁵⁶ The Spanish reform introduced by Real Decreto 141/2024, now explicitly allows the *empadronamiento* of people without a conventional address, based on their habitual residence or through a “fictitious” address assigned by social services.⁵⁷ In [Barcelona](#) and [Valencia](#) local authorities have processes that allow individuals without proof of address to obtain a municipal registration enabling households without leases to access basic services.

Once urgent needs are met, efforts must stabilise conditions and support exits from informality. Not all situations are alike, so responses must be adapted. In Murcia, the [PARES programme](#) rehoused 61 families through phased relocation and social support. By contrast, evictions in [Malmö](#), Sweden, displaced hundreds without alternatives, sparking protests and international condemnation, highlighting the harm of enforcement-led responses without safeguards. The most effective models link housing with tailored services: Finland’s [Housing First](#) approach has nearly ended rough sleeping, while Spain’s [Hábitat programme](#) shows high retention at shelter-equivalent cost.

EU frameworks recognise housing as integral to dignity and social inclusion. In the Balearics, Law 3/2024 strengthened the category of temporary public-service housing (dotational housing), explicitly prioritising essential workers and enabling short-term residential use of underused buildings, linking emergency measures with longer-term affordability. Building trust is essential: cultural mediators help bridge gaps with institutions, while training frontline staff in cultural competence ensures outreach is seen as legitimate.

Informal housing in Ibiza is a symptom of scarcity, not individual failure. Progress requires immediate rights-based protections alongside structured pathways into formal housing, coordinated by municipalities and community actors. With this dual strategy, Ibiza can reduce exclusion and protect public health.

⁵⁵ The right to drinking water and sanitation is recognised as a human right by the United Nations ([UN General Assembly Resolution 64/292, 2010](#)). Article 16 of the EU Drinking Water Directive ([Directive \(EU\) 2020/2184](#)) requires Member States to ensure access to water for all, with particular attention to vulnerable and marginalised groups.

⁵⁶ Solidarités International & DIHAL (2021) Accès à l’eau dans les bidonvilles: FAQ technique pour collectivités publiques. Ministère de la Transition Écologique. ([Available online](#)).

⁵⁷

Examples

| | |
|---------------------------------|---|
| Murcia PARES Programme | Combined phased relocation, housing acquisition, and social support to rehouse 61 families in precarious settlements. |
| Brno Housing First Pilot | Used empty public flats with capped rents and support services to house families in the Czech Republic, achieving a 96% retention rate. |
| Finland Housing First | National strategy providing permanent housing with wraparound support , nearly ending long-term rough sleeping. |
| Hábitat Programme | Adapted Housing First for Spain, securing high retention rates among chronically homeless people at costs comparable to emergency shelters. |
| Social Bite Village | Provides modular transitional housing with employment, mental health, and integration support to help residents in Scotland move into stable accommodation. |

5.2 Mobilising and Upgrading Existing Stock

In Ibiza, many homes sit empty year-round while residents and essential workers struggle to find housing. Owners often hesitate to rent because of fears of non-payment, legal disputes, or the lure of higher returns from short-term rentals. Public intermediation schemes can help overcome these barriers by offering guarantees, refurbishment aid, and professional tenancy management.

Examples from elsewhere show the potential. In the Basque Country, [Bizigune](#) has mobilised over 7,000 private homes since 2003, guaranteeing rent, offering refurbishment aid, and managing tenant selection.⁵⁸ Madrid's [Plan Alquila](#) streamlines long-term rentals through mediation and legal support, while Barcelona's [Habitat 3 Foundation](#) rehabilitates underused homes, leasing them 5–10 years for vulnerable households with NGO-led tenancy management. National NGO [Provivienda](#) achieves rent reductions of around 20% and a 95.9% landlord security rate.⁵⁹ France's [Solibail](#) pairs rent

⁵⁸ Government of the Basque Country. Decree 466/2013, of 23 December, regulating the Empty Housing Program "Bizigune". ([Available online](#)).

⁵⁹ Data from interview with Mario Manjón Rosado, Provivienda, on the 4th of June 2025, based on the organisation's internal programme evaluations.

guarantees with NGO-led tenancy management, lowering barriers for risk-averse landlords.

In the Balearic Islands, the *Lloguer Segur* scheme already provides [rent guarantees](#) and tax incentives,⁶⁰ but [uptake has been limited](#). Strengthening it with refurbishment support, NGO tenancy management, and priority access for essential workers could help build trust and make it more effective.

Fiscal tools can reinforce these measures. [Vancouver](#)'s vacancy tax reduced declared vacancy by 36% and generated CA\$115 million, fully reinvested in affordable housing. [Ireland](#)'s vacancy tax, by contrast, raised revenue but lacked clarity on use, undermining legitimacy. [Barcelona](#)'s fines and expropriations faced legal hurdles and low recovery, while the [UK](#) and [France](#) allow flexible vacancy surcharges linked to housing pressure, offering lessons for Ibiza. Spain's Housing Law (*Ley 12/2023*) allows municipalities to apply a 50–150 percent IBI surcharge on long-term vacant homes owned by large landlords. For Ibiza, credibility will depend on revenues being clearly reinvested in affordable homes and outcomes being reported publicly.

Together with incentives, stronger rules on short-term rentals are also being introduced to prevent homes being diverted from residential use. The April 2025 Balearic tourism decree prohibits new licences in multi-family buildings,⁶¹ while Spain's implementation of EU Regulation 2024/1028 requires platforms to verify registration numbers and delist illegal listings.^{62,63} Spain's Royal Decree 1312/2024 reinforces these rules, but enforcement remains weak: in Ibiza, the *Consell d'Eivissa*⁶⁴ faces legal limits, since short-term lets in residential buildings are not classified as economic activities, meaning inspections often require a court order. Regional powers can also override local plans, further reducing municipal leverage. International practice shows that enforcement can be strengthened by shifting responsibility to platforms ([Sydney](#), [New York](#)), requiring registration and time caps to distinguish occasional use from professional operations

⁶⁰ Properties leased through the *Lloguer Segur* programme are eligible for a 70% reduction on net rental income under Spain's Personal Income Tax Law (Law 35/2006).

⁶¹ Existing licences in such buildings may still be renewed but are subject to stricter compliance and quality requirements.

⁶² Ministerio de la Presidencia, Relaciones con las Cortes y Memoria Democrática. (2024). Real Decreto 258/2024, de 16 de febrero, por el que se regulan determinadas medidas para la movilización de viviendas vacías. [Royal Decree 258/2024, of February 16, regulating certain measures for the mobilization of vacant housing]. Boletín Oficial del Estado, 45, 26931. ([Available online](#)).

⁶³ European Union. (2024). Reglamento (UE) 2024/1028 del Parlamento Europeo y del Consejo, de 11 de abril de 2024, sobre la recogida y el intercambio de datos relativos a los servicios de alquiler de alojamientos de corta duración y por el que se modifica el Reglamento (UE) 2018/1724. Diario Oficial de la Unión Europea, L 1028, 1–19. ([Available online](#)).

⁶⁴ Island Council of Ibiza, the governing institution of the island.

([Paris](#), [Berlin](#), [Amsterdam](#)), or treating STRs as commercial uses subject to licensing and inspections ([Edinburgh](#)).

Ibiza must also tackle poor housing quality. Many older homes suffer damp, poor insulation, or outdated layouts. Across Europe, renovation grants are tied to affordability: [Navarra](#) offers up to €18,000 for landlords who cap rents for five years; Vienna's [RenoBooster](#) supports low-income owners to improve energy efficiency; and [Ireland](#) provides up to €50,000 to renovate derelict homes for rental or occupation. In recent programmes, renovation grants were considered taxable income, placing a burden on low-income households. Exempting such aid from income tax would enhance accessibility.

"It is not only about building on new land, but about making use of the existing built stock: converting shops and offices, subdividing homes, reusing unfinished or those with expired permits, transforming obsolete hotels, and even adding extra storeys where viable. All these measures are exclusively for social or price-limited housing, never for free-market homes."

José Francisco Reynés Sancho, Govern de les Illes Balears

Neighbourhood regeneration can also link affordability with broader wellbeing. In Paris, the [Caserne de Reuilly](#) transformed a disused military site into 582 homes (50% social) under the Duflot Law, which allowed the sale of public land at below-market rates for social housing. [Aalborg](#), Denmark, combined energy retrofits with tenant participation and business-university collaboration in a stigmatised district, cutting crime and energy use by half. [Bilbao](#) integrates habitability upgrades with public space improvements without displacing residents, while [Castilla y León](#) offers municipalities a regeneration framework with shared planning tools and social criteria (avoiding gentrification and strengthening access to EU funds), developed with a university to promote consistency across the region beyond political cycles.

Adaptive reuse offers another path: [Boston](#) grants 75% tax abatement for 29 years to convert offices, while [Chicago](#) uses tax-increment financing to repurpose heritage buildings, investing upfront in conversions and

recovering the cost from the future increase in property tax revenue generated by the redeveloped site. The Balearic Framework (Law 3/2024) allows price-limited homes to be built on top of existing buildings (air rights), the conversion of obsolete tourist or commercial premises into regulated housing, and the creation of dotational housing for essential workers. The conversion of tourist establishments was reinforced by the more recent tourism and housing emergency decree, Decree-Law 4/2025, which also caps total tourist beds based on carrying capacity studies. Fiscal incentives are offered in return for permanent affordability safeguards (reduced transfer taxes, IBI relief, renovation deductions, or VAT reductions). Adding support for the cost of change of use (such as, converting empty shops to homes) could strengthen the initiative. Both ideas would be attractive to ethical or impact investors. IBAVI, the public housing agency of the Balearic Islands, could help finance renovations by deducting costs directly from the upfront payments it offers to landlords, for example, under the *Lloguer Segur* programme. This would help mobilise existing homes into the affordable rental market without requiring new land.

Spain's Land and Urban Rehabilitation Law (Ley de Suelo, 7/2015)⁶⁵ establishes the “duty to build”: owners of developable land or unfinished works must complete them within deadlines set by planning instruments. If they fail, administrations can enforce completion and, in some cases, apply expropriation or substitute execution mechanisms. In Ibiza, large unfinished or abandoned buildings (such as those around the bay of San Antonio) not only represent missed housing opportunities but also contribute to landscape degradation, contrary to legal duties of conservation and urban sustainability. [France](#) offers a useful precedent: municipalities can declare buildings in a state of manifest abandonment (*biens en état manifeste d'abandon*) and expropriate them for public-interest purposes. This tool has been applied in places such as [Lille](#), while in [Marseille](#) the neglect of unsafe housing stock has had fatal consequences. A similar approach in Ibiza could prioritise recovery of large stalled developments (often occupied by squatters), converting them into HPL Type 2 housing with permanent affordability safeguards, primary residence use, and eligibility criteria for essential workers, youth, or first-time buyers through schemes like *Nova Hipoteca Jove*. The Balearic Government should implement measures that make activating existing stock more attractive to municipalities than consuming new unbuilt land (through incentives, financing, and agile

⁶⁵ Real Decreto Legislativo 7/2015, de 30 de octubre, por el que se aprueba el texto refundido de la Ley de Suelo y Rehabilitación Urbana. (2015, 30 de octubre). Boletín Oficial del Estado, núm. 261. ([Available online](#)).

procedures), so development aligns with community needs and long-term housing security. Taken together, these measures show that mobilising empty housing and upgrading existing stock is more effective than relying on new construction alone.

Examples

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|---|--|
| Bizigune | Mobilised over 7,000 private empty homes in the Basque Country since 2003 by guaranteeing rent, funding refurbishments, and managing tenant allocation for low-income households. |
| Plan Alquila | Public intermediation programme in Madrid that simplifies long-term rentals with legal advice, mediation, and optional rent default insurance , reducing barriers for owners. |
| Habitat 3 Foundation | Rehabilitates underused properties in Barcelona and leases them for 5–10 years to vulnerable households, combining renovation, guaranteed rent, and NGO-led tenancy management . |
| Provivienda | National Spanish NGO that mobilises empty homes for social use , achieving about 20% rent reduction, €1.34 social return per €1 invested, and 95.9% landlord security. |
| Solibail | State-backed scheme in Île-de-France, France, that leases empty homes from private owners, guarantees rent, and contracts NGOs to manage tenancies for households in precarious situations. |
| Expropriation of Abandoned Buildings in France | Municipalities can declare buildings in a state of manifest abandonment and expropriate them for housing or public-interest uses. The threat of expropriation often deters neglect, prompting owners to act. |

5.3 Constructing Housing Strategically

In Ibiza, expanding supply must follow a clear principle: new construction should only proceed where vacancy and adaptive reuse are insufficient, and always with safeguards to preserve affordability and minimise environmental impact through data-driven diagnosis, carrying capacity studies, and long-term planning. When building is necessary, delivery models must ensure that what is built, where, and for whom aligns with community needs and long-term public value.

In the short term, temporary or modular housing can provide quick relief, especially where public land or buildings lie idle before redevelopment. Barcelona's [APROP](#) programme has created relocatable apartment blocks from repurposed containers, installed on municipal land for five to ten years while longer-term plans are developed, and combined with social support for residents. In Paris, [a disused hospital](#) became a space for emergency housing for undocumented residents and cultural uses through a temporary partnership between the city and three NGOs under temporary-use law, informing its later redevelopment into a neighbourhood with 50% social housing. Berlin and Leipzig enable short-term leases that activate empty buildings offering legal alternatives to squatting while activating space during planning delays,⁶⁶ while Lisbon has deployed [modular homes](#) for families facing eviction or homelessness, within a national framework that enshrines the right to adequate housing. These examples show how interim housing can reduce precarity and activate underused sites without foreclosing future options.

Longer-term, affordability depends on public-led construction that retains control over land, tenure, and price. Vienna demonstrates what sustained municipal leadership can achieve: more than 60% of residents live in social or cost-controlled housing built over decades.⁶⁷ In Barcelona, the [Municipal Housing and Rehabilitation Institute](#) (IMHAB) is expanding public rental housing, including the timber-built Cornellà project by Peris+Toral, which combines affordability with sustainability. [Navarra's Social Housing Plan](#) has also contributed to one of Spain's highest shares of protected housing (around 18%), with a new focus on sustainable rental delivery for young and low-income households.⁶⁸ France shows how the wider financial and institutional framework matters too: the Caisse des Dépôts provides low-interest loans to social landlords, Action Logement channels employer contributions, and the SRU Law mandates 20–25% social housing per municipality, ensuring delivery remains coordinated and non-speculative. These cases underline the importance of strong public institutions and continuity in housing policy to safeguard access and protect against speculation.

⁶⁶ European Commission (2016) Vacant real estate: Seizing the opportunity to find affordable housing solutions in Europe. Access to dignified and affordable housing in Europe – Case studies and innovative solutions. Brussels: European Commission. ([Available online](#)).

⁶⁷ Much of Vienna's housing has been developed in partnership with non-profit housing associations, which operate under strict public oversight and reinvest surpluses into affordable housing. See Austrian Federation of Limited-Profit Housing Associations (GBV) Member profile. Housing International. ([Available online](#)).

⁶⁸ The plan is led by Nasuvinsa, co-financed by the European Investment Bank, and all new developments meet Passivhaus/nZEB standards, linking affordability with energy efficiency and urban regeneration.

In Ibiza, public-led construction also faces structural barriers: limited public land and significantly higher construction and logistics costs make it difficult to scale delivery through traditional public building alone. This reinforces the importance of vacancy activation, adaptive reuse, and flexible interim housing models as more immediate and viable pathways to expand affordable stock.

As noted in Section 4.4, public-private partnerships (PPPs) can deliver homes quickly and at scale, but only when designed with binding affordability safeguards, transparent governance, and strong oversight. Madrid's [Plan Vive](#) grants 50-year surface rights for below-market rentals on public land, but has been criticised for weak tenant protections and unclear long-term value. Málaga's [Santa Ana Cooperative](#) shows how cooperative housing models can lower entry costs by eliminating the profit margin of traditional developers, though resale rules under Andalusian law may undermine lasting affordability.⁶⁹ In France, national and municipal governments co-invest with private developers under a clearly defined regulatory framework: subsidised loans and tax benefits are conditional on meeting rent, eligibility, and

affordability requirements.⁷⁰ As mentioned in the previous section, one idea raised in interviews was for councils to let businesses build on publicly owned prime plots in exchange for delivering a greater number of affordable homes on larger, less central sites they own.

Together, these experiences show that construction must be treated as a strategic tool, not a default response. For Ibiza, the priority is to combine interim solutions with strong public leadership, ensuring that every new unit strengthens affordability, resilience, and community wellbeing.



⁶⁹ In contrast, the Balearic Islands addressed this risk through the Law 3/2024 that mandates the permanent protection of newly designated VPO units.

⁷⁰ In France, publicly supported housing is structured around three affordability tiers based on [household income](#): PLAI (very low-income households), PLUS (standard social housing), and PLS (intermediate rent). [Developers](#) accessing subsidies or tax benefits must comply with rent caps and income eligibility thresholds tied to these categories.

Examples

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|---|---|
| APROP | Relocatable modular apartments made from repurposed shipping containers , installed on idle municipal land in Barcelona for 5–10 years to provide temporary affordable housing with social support. |
| Convention d'occupation précaire (interim use agreement) | A disused hospital in Paris was temporarily transformed into emergency housing for undocumented residents and cultural spaces through a temporary-use agreement between the City and three NGOs, informing its later redevelopment into a neighbourhood with 50% social housing. |
| Modular housing for displaced families in Lisbon | Lisbon uses modular homes on public land to support families facing eviction or homelessness . Housing is temporary but fully equipped, and residents receive social support to transition to permanent homes. This is part of a wider strategy to expand affordability and uphold the right to adequate housing. |
| Barcelona IMHAB Cornellà Project | Timber-built public rental housing combining affordability, sustainability, and high design quality under the city's housing agency IMHAB. |
| Navarra Social Housing Plan (NSH) | Regional strategy that expands protected housing , including sustainable rental units for young and low-income households, contributing to Spain's highest protected housing share (18%). |

5.4 Preserving Homes for Residents

Transforming existing properties into protected, resident-focused homes helps manage investment pressure, balance seasonal demand, and support essential workers without consuming scarce land. In high-demand housing markets like Ibiza, securing homes for year-round residents is one of the most pressing challenges.

Deed-restricted housing models offer a cost-effective way to ensure that homes remain affordable and accessible over time,⁷¹ even amid tourism demand and speculative investment. A deed restriction is a legal condition

⁷¹ Chen, R. (2004). "Designing Efficient Housing Policies: Deed Restrictions and Market Incentives," Harvard Law & Economics Paper No. 495. ([Available online](#)).

placed on a property that limits who can buy or live in it; for example, requiring that the occupant works locally, uses the home as a primary residence, or avoids short-term rental. Restrictions are typically permanent or long-term and can be applied to both rental and ownership housing.

While deed-restricted models are not yet common in Spain, they share similarities with Viviendas de Protección Oficial (VPO) and the newer [Habitatge de Preu Limitat](#) (HPL) framework under Law 3/2024. Both frameworks apply affordability criteria and define residents that can access certain homes. What makes deed-restricted housing distinctive is that it applies these criteria to existing homes, often voluntarily, by incentivising owners to reserve them for residents. This approach can also complement other initiatives. For example, deed restrictions could be paired with [Nova Hipoteca Jove](#), which helps young residents with down payments.⁷² Instead of repaying banks, support could be offered as a lump-sum grant in exchange for a deed restriction, ensuring that homes supported by public subsidy remain available for future generations of island residents.

To be effective and fair, such incentives must be carefully designed. Public funds should not disproportionately benefit those who already own multiple properties. Instead, support could be targeted at smaller property owners or used to help first-time buyers overcome upfront costs. Without safeguards, there is a risk that programmes intended to enhance affordability end up reinforcing existing inequalities.

International experience shows what is possible. In Vail, Colorado, the [InDEED](#) programme has created a permanent stock of workforce housing by compensating owners who voluntarily deed-restrict their properties. Participants receive 15–20% of the home’s appraised value as a one-time payment, in return for requiring that current and future occupants are local workers. Compliance is verified annually, with penalties for non-compliance. The model has been expanded in other U.S. resort towns: [Mountain Village, Colorado](#), now has over two-thirds of its housing stock deed-restricted, while [Jackson Hole](#) has combined deed restrictions with employer funding to share responsibility for workforce housing.

⁷² Given strong demand for ownership and affordability barriers among youth (53% of young people cite insufficient savings as the main obstacle), linking down-payment support to deed restrictions could preserve local access (see Section 2: The Nature of the Crisis).

“Maybe there should be a recommended rental price, not an imposition, because there’s nothing worse for human nature than telling people what to do; just saying it makes them do the opposite. If they don’t follow the recommendation, then let the tax system act accordingly.”

José Antonio Roselló, CAEB

Policy pathways elsewhere also highlight options for Ibiza. Within the EU, [Austria](#) uses zoning-based saturation thresholds to limit second-home licences,⁷³ [Amsterdam](#) enforces self-use clauses for new builds, and [Malta](#) restricts purchases by non-residents to designated areas. Each focuses on regulating property use rather than ownership, making them compatible with EU law. This distinction is crucial: EU law (Article 63 TFEU) prohibits restrictions on property purchases by EU citizens, but use-based, zoning-based, or saturation measures remain legally defensible as long as they serve public interest, are proportionate, and avoid discrimination. The 2023 [Gijón Declaration](#) reaffirmed that ensuring access to affordable housing is not merely a national responsibility but a shared European objective, strengthening the legitimacy of such local measures. In the case of Denmark, buying a second home in rural and coastal areas is restricted to long-term residents, based on a permanent EU treaty derogation when it joined in 1973. Beyond the EU, countries like [Canada](#), [New Zealand](#), and [Switzerland](#) have gone further with outright restrictions on non-resident purchases.

Spain’s 2023 Housing Law added another layer with “stressed market zones,” giving regional governments the power to [cap rent increases](#). [Catalonia](#) has already applied this to more than 270 municipalities, reporting early rent reductions in Barcelona, while the Balearics have yet to activate the measure despite clear indicators of housing stress. Under the 2019 ELAN law, [Paris](#) reintroduced rent controls by setting reference prices per square metre, with fines for violations, helping slow rent increases in high-pressure areas

Meanwhile, Balearic Law 3/2024 created a temporary public-service housing category prioritising essential workers and short-term use of underused buildings. Supply, however, falls far short of need. Practical options include adapting tourist apartments or hostels for short stays, upgrading larger public properties for longer use, and incentivising MSMEs through tax breaks

⁷³ Austria uses zoning and functional-use rules to limit second homes: municipalities in Tyrol and Salzburg can ban new licences where seasonal use exceeds 16%, and cities like Vienna impose self-use clauses and primary-residence requirements. These are framed as land-use measures, not ownership restrictions, aligning with EU law.

or co-financing. Municipal audits of underused stock could also expand capacity, reinforcing essential services without relying on new construction.

For Ibiza, deed-restricted housing could provide a flexible, low-cost tool to protect existing homes for residents without requiring new land. By combining financial incentives with permanent affordability conditions, it would help stabilise the housing system, reduce displacement, and preserve community continuity in the face of intense external demand.

Examples

| | |
|---|--|
| <i>Habitatge de Preu Limitat (HPL)</i> | Legal framework (Law 3/2024) in the Balearic Islands creating permanently price-limited housing through new builds or conversions, with eligibility, affordability, and residency safeguards. |
| <i>Nova Hipoteca Jove</i> | Down payment support scheme for young home buyers in the Balearic Islands, which could be adapted to require deed restrictions, ensuring homes remain available for island residents. |
| France's Public Financial Ecosystem for Rental Housing | Coordinated system combining low-interest loans, payroll contributions, rent subsidies, and legal obligations (SRU Law, ⁷⁴ eviction bans, rent controls), sustaining long-term affordability with over 40% of renters in supported housing. ⁷⁵ |
| Vail InDEED | Pays homeowners in Vail, Colorado 15–20% of appraised value in exchange for permanent deed restrictions requiring that occupants work locally and live in the home for a minimum number of months per year. Target of 1,000 deed-restricted units by 2027. |
| Mountain Village Deed Restrictions | Offers up to \$200,000 per property to secure permanent local occupancy in Mountain Village, Colorado; more than two-thirds of housing stock is now deed-restricted. |
| Jackson Hole Workforce Housing | Combines deed restrictions with employer contributions of land or funding, with eligibility verified by the Housing Authority to ensure workforce housing in Jackson Hole, Wyoming. |

⁷⁴ SRU refers to the “Loi Solidarité et Renouvellement Urbains” (Solidarity and Urban Renewal Law), a major French law passed in December 2000. Maaoui, M. (2023). The SRU Law, twenty years later: Evaluating the legacy of France's most important social housing program. *Housing Studies*, 38(8), 1392–1416. ([Available online](#)).

⁷⁵ Acolin, A. (2021). The public sector plays an important role in supporting French renters. Brookings Institution, April 20, 2021. ([Available online](#)).

5.5 *Guiding Principles for Ibiza*

1. **Guarantee basic rights regardless of housing status:** Ensure access to healthcare, education, water, and sanitation to protect dignity, reduce exclusion, and uphold institutional credibility. .
2. **Support phased exits from informality:** Combine harm reduction, transitional housing, and long-term homes with integrated support services, partnering with NGOs to build trust and avoid exclusionary enforcement.
3. **Prioritise reuse and evidence before expansion:** Convert empty and underused homes into affordable housing first, and require carrying capacity studies before approving new construction to avoid unsustainable growth..
4. **Diagnose vacancy and listen to owners:** Use cadastral and utility data to identify vacancy causes, engage owners, and design tailored solutions that build trust and unlock housing.
5. **Activate and upgrade existing homes with safeguards:** Use NGO intermediation, guarantees, renovation aid, and fiscal incentives, tying support to affordability conditions, primary residence use, long-term commitments, and clawback clauses.
6. **Promote inclusive regeneration and adaptive reuse:** Upgrade neighbourhoods and repurpose buildings with affordability safeguards, fiscal incentives, and resident participation to avoid displacement and strengthen community wellbeing.
7. **Secure affordability in publicly supported models:** Use interim options (modular, temporary-use) for urgent needs and apply permanent safeguards (surface rights, deed restrictions) so publicly backed homes remain affordable beyond speculation.
8. **Apply zoning and regulatory tools to curb speculation:** Use EU-compatible mechanisms (second-home caps, self-use clauses, stressed market rent zones) complemented by culturally legitimate approaches that build fairness, compliance, and community acceptance.

9. Ensure institutional capacity and continuity: Strengthen IBAVI and municipal coordination to plan strategically, implement consistently, and safeguard long-term housing goals beyond electoral cycles.

10. Embed transparency and accountability: Dedicate revenues from vacancy surcharges and second-home taxes, for instance, to housing initiatives, and publish results on homes delivered, funds used, and community impacts to build trust.

6. Community-Based Solutions

Community-based solutions provide a pathway to lasting affordability by removing housing from speculative markets and embedding it in collective stewardship. Through cooperatives and Community Land Trusts (CLTs), residents can secure stable, non-speculative homes while strengthening social ties, cultural continuity, and civic participation. These approaches not only anchor affordability but also create healthier, more connected communities. This section explores how cooperatives, land trusts, enabling ecosystems, and wellbeing-oriented design can be adapted for Ibiza, alongside guiding principles for scaling these models.

6.1 Developing Housing Cooperatives

Cooperative housing offers an alternative to speculation by separating the right to use a home from the right to own and sell it. Instead of holding individual title deeds, members join a cooperative that collectively owns the property. Each household has long-term use rights (known in Spain as *cesión de uso*) which provide stability, affordability, and democratic governance. Because units cannot be sold or sublet, they are insulated from market pressures and remain affordable across generations.

International practice demonstrates the potential of this model when supported by public policy. Zurich has developed one of Europe's most

extensive cooperative housing systems: nearly one in four homes in the city is cooperative, sustained by long-term municipal land leases, interest-free loans, and bond financing. In 2011, residents voted to increase the share of non-profit housing to one-third of all homes by 2050. The flagship [More Than Housing](#) project, built on a former industrial site, now accommodates 380 households in a neighbourhood designed around ecological construction and collective life.

In Spain, two main land access routes exist for cooperatives. The first is public leasehold, where land is provided under long-term use rights (often 75 years), dramatically lowering costs and making projects viable. Recent reforms also allow *suelo dotacional* (public service land) to be repurposed for cooperative housing⁷⁶ generally for 75 years and extendable to 90 years, creating a powerful new opportunity to expand affordable stock.⁷⁷ The second route is full purchase, which requires high upfront contributions from members and is often prohibitive in high-cost settings such as Ibiza. [La Borda](#) in Barcelona illustrates the leasehold approach, securing a symbolic 75-year lease to create 28 affordable homes with shared spaces, co-designed by residents. In Madrid, [Entrepatis](#) demonstrates the challenges of the purchase model: after years of organising, members collectively bought land themselves, contributing refundable entry fees of €40–50,000 to gain secure use rights without private ownership.

These experiences highlight both the promise and the barriers. Cooperative projects can reduce overall costs by 30–40% by removing land speculation, developer profit margins, and bulk-managing materials.⁷⁸ Yet without secure land access or favourable finance, progress remains slow. In Ibiza, one recent attempt by a self-organised group of long-term residents failed despite support from IBAVI and the *Consell d'Eivissa*, after municipal opposition blocked access to land.⁷⁹ This shows both the appetite for cooperatives and the obstacles that must be overcome. With stronger enabling frameworks and coordinated institutional support, cooperatives could offer Ibiza a pathway to affordability that also strengthens local communities.

⁷⁶ Ayuntamiento de Toledo, Observatorio de Vivienda. (2020, December). *Experiencias, modelos y propuestas para el fomento de cooperativas de vivienda en cesión de derecho de uso*. Concejalía de Urbanismo y Vivienda del Ayuntamiento de Toledo. ([Available online](#))

⁷⁷ *Soluciones habitacionales para Ayuntamientos y Personas Impulsoras* (2025), Webinar, Vida Sostenible Cohousing, 25 June, ([Available online](#))

⁷⁸ Ibid

⁷⁹ Mentioned during an interview for this report.

Examples

| | |
|--------------------------|--|
| More Than Housing | A 380-unit neighbourhood in Zurich developed by over 30 cooperatives on a former industrial site , combining ecological construction, mixed uses, and strong community participation. |
| La Borda | A resident-led cooperative in Barcelona that secured a symbolic 75-year municipal lease to create 28 affordable homes with shared spaces, designed collectively with a focus on ecological living. |
| Entrepatrios | A cooperative in Madrid that collectively purchased land after years of organising, with members paying refundable entry fees of €40–50,000 for long-term use rights without private ownership. |

6.2 Establishing Community Land Trusts

Community Land Trusts (CLTs) are non-profit organisations that acquire and steward land in perpetuity to guarantee long-term housing affordability. Homes built on CLT land can be owned or rented, but the land itself remains under collective control through long-term, renewable ground leases, separating it from speculative markets and protecting affordability across generations.⁸⁰ Unlike cooperatives, CLTs often allow individual ownership with resale caps and occupancy conditions. Governance is typically shared between residents, community members, and public-interest representatives to balance local accountability and long-term stewardship.⁸¹

Across Europe, CLTs have shown how affordability can be safeguarded over time. CLT Brussels, founded in 2012, keeps homes 25–50% below market value by combining renewable 50-year leases with resale formulas that cap equity gains.⁸² Ghent has built on this model with its first 34-unit development, supported by 99-year leasehold land and social loans that reduce costs for

⁸⁰ The Community Land Trust model originated in the United States in the 1960s, grounded in a vision of land as a common good rather than a speculative asset. Drawing from traditions of land stewardship, CLTs were designed to remove land from the market, ensuring long-term affordability and democratic control. See: Davis, J. E. (2010), *The Community Land Trust Reader*, Lincoln Institute of Land Policy. ([Available online](#)).

⁸¹ Sustainable Housing for Inclusive and Cohesive Cities (SHICC). (2019). Detailed Case Studies: Community Land Trusts in Europe. Interreg North-West Europe. ([Available online](#)).

⁸² Ibid

low-income households.⁸³ In the UK, London CLT emerged from grassroots campaigning, demonstrating the role of civic mobilisation in securing public land for community benefit. Its first homes were priced to local median incomes rather than market values, making them permanently accessible to ordinary workers.⁸⁴

France's OFS–BRS framework⁸⁵ has gone further by enshrining CLT principles in national law. In Lille, public land has been transferred to trusts at symbolic cost, allowing families otherwise excluded from the market to access homes under permanent affordability safeguards.⁸⁶ Beyond new builds, CLTs are also being used for regeneration: in Dumfries, the Midsteeple Quarter project has repurposed derelict town-centre properties for housing, culture, and enterprise, while in Truro, empty high-street buildings have been converted into affordable flats for local workers priced out by tourism.⁸⁷

In Spain, CLTs are not formally recognised in law. Most residential buildings fall under the *Ley de Propiedad Horizontal*,⁸⁸ which favours individual ownership within multi-unit developments, making it difficult to implement the classic CLT structure. However, existing legal tools such as surface rights⁸⁹ can be adapted to approximate CLT principles.⁹⁰ When combined with affordability clauses, resale caps, and occupancy conditions, these tools could preserve long-term affordability on public or private land. Historically, emphyteusis contracts⁹¹ separated land ownership from long-term use, showing that Spanish law already contains precedents for the separation of land and housing. The French OFS–BRS model provides a useful reference point for Spanish reform.⁹²

As mentioned in the previous section, recent reforms also allow *suelo dotacional* (public-service land) to be repurposed for cooperative housing under surface rights of 75 years and extendable up to 90 years, creating a

⁸³ Ibid

⁸⁴ Ibid

⁸⁵ [Organismes de foncier solidaire](#) (OFS) and [Bail Réel Solidaire](#) (BRS): A legal structure in France that formalise land/property separation and ensures long-term affordability.

⁸⁶ Ibid

⁸⁷ Ibid

⁸⁸ The Horizontal Property Law.

⁸⁹ *Derechos de Superficie*, Surface Rights, allows the construction and use of land owned by another party (typically 75–99 years) while the original owner, often a public entity, retains ownership. Used in projects like La Borda (Barcelona) to ensure affordability and prevent speculation.

⁹⁰ Sustainable Housing for Inclusive and Cohesive Cities (SHICC). (2019). Detailed Case Studies: Community Land Trusts in Europe. Interreg North–West Europe. ([Available online](#)).

⁹¹ *Contratos de Emfiteusis*, Emphyteusis Contracts, are historic civil-law agreements granting inheritable, often perpetual land use in exchange for an annual fee. Rarely used today, but they offer long-term stability without transferring land ownership.

⁹² [Organismes de foncier solidaire](#) (OFS) and [Bail Réel Solidaire](#) (BRS): A legal structure in France that formalise land/property separation and ensures long-term affordability.

powerful precedent for separating land from housing.⁹³ A similar mechanism could be used to pilot CLTs in Ibiza, embedding permanent affordability through resale caps and occupancy conditions.

CLTs also resonate with Spain's cultural emphasis on family continuity and inheritance.^{94,95} Use rights can be passed to children or spouses under capped terms, providing stability while safeguarding community value. For households without heirs, CLTs can offer controlled rental income in later life or the option to reserve units for future care arrangements. In this way, CLTs link family stability with wider community stewardship.

Although no CLTs currently operate in Ibiza, the model could be piloted on both public and private land. A public trust might lease land long-term, while private owners could contribute under arrangements that guarantee them access to specific units or capped rental income. Such pilots would act as legal and institutional testbeds, demonstrating how land can be collectively governed for public benefit and adapted to Ibiza's particular context.



⁹³ *Soluciones habitacionales para Ayuntamientos y Personas Impulsoras* (2025), Webinar, Vida Sostenible Cohousing, 25 June. ([Available online](#)).

⁹⁴ Cooperatives and CLTs often include mechanisms for intergenerational continuity. In many instances of *long-term use rights cooperatives* (*cooperativas de cesión de uso*), members can assign their use-right to family members under defined conditions. CLTs typically allow leaseholds to be inherited by spouses or children.

⁹⁵ Fuster, N., Arundel, R., & Susino, J. (2018). From a culture of homeownership to generation rent: housing discourses of young adults in Spain. *Journal of Youth Studies*, 22(5), 585–603. ([Available online](#)).

Examples

| | |
|-------------------------------------|--|
| CLT Brussels | First CLT in continental Europe (2012), delivering homes 25–50% below market value through renewable 50-year leases, capped resale formulas, and tripartite governance. ⁹⁶ |
| CLT Ghent | Established in 2014, now building a 34-unit project combining 99-year leasehold land with social loans, embedding affordability and resident participation. ⁹⁷ |
| London CLT | Born from grassroots mobilisation, land has been secured from public bodies such as Transport for London, enabling homes to be priced according to local median incomes rather than market values. ⁹⁸ |
| OFS-BRS, Lille | Uses France's solidarity ground lease law to permanently separate land and housing; some sites transferred by municipalities for as little as €1. ⁹⁹ |
| Midsteeple Quarter, Dumfries | Community-led regeneration turning derelict town-centre buildings into affordable housing, cultural venues, and enterprises. ¹⁰⁰ |
| CLT Truro | Tackles tourism-driven housing pressures by converting empty high-street buildings into affordable flats for local workers. ¹⁰¹ |

6.3 Building the Enabling Ecosystem

Community-led housing cannot succeed on land allocation alone. Successful projects require an enabling ecosystem of institutions, technical support, and civic capacity. Without this, self-organised groups face barriers at every stage, from accessing sites and financing to navigating complex legal and planning rules. Across Europe, intermediary organisations play a critical role in helping communities translate ambition into delivery, offering legal expertise, architectural advice, and project management capacity.¹⁰² In

⁹⁶ Sustainable Housing for Inclusive and Cohesive Cities (SHICC). (2019). Detailed Case Studies: Community Land Trusts in Europe. Interreg North-West Europe. ([Available online](#)).

⁹⁷ Ibid

⁹⁸ Ibid

⁹⁹ Ibid

¹⁰⁰ Ibid

¹⁰¹ Ibid

¹⁰² Ibid

Catalonia, for example, La Dinamo accompanies cooperative groups from idea to construction, often facilitating land access, legal structuring, and long-term stewardship agreements. Sostre Cívica functions as both a developer and support platform, promoting affordable housing while offering technical guidance and policy advocacy. These actors form the connective tissue that makes community-led housing viable at scale. Ibiza currently lacks such bridging institutions, leaving citizen groups with little support beyond the goodwill of individual officials.

Experiences from Spain underline the risks. Interviews for this report noted that at least one cooperative initiative in Ibiza collapsed despite initial support from IBAVI and the Consell Insular, after municipal opposition blocked progress. Making land available is not enough if projects are not rooted in the municipalities where residents live, and if authorities are unwilling to engage in co-creation.¹⁰³ The message from community dialogues is clear: councils must accompany projects from inception, providing not only land but also regulatory flexibility, advice, and continuity across political cycles.



The idea of *personas impulsoras*, local champions who take responsibility for driving projects, highlights the human dimension.¹⁰⁴ These individuals, often motivated by family or community needs, can lead initiatives forward, but only if supported by a framework that lowers risk and provides technical back-up.¹⁰⁵

Despite their benefits, collective housing initiatives frequently encounter significant barriers compared to conventional developers, especially in terms of access to land, financing, and favourable tax treatment. Here, public

¹⁰³ *Soluciones habitacionales para Ayuntamientos y Personas Impulsoras* (2025), Webinar, Vida Sostenible Cohousing, 25 June. ([Available online](#)).

¹⁰⁴ Ibid

¹⁰⁵ Ibid

institutions play a key role. By allocating public land through long-term leases, providing low-interest loans or tax relief, and streamlining bureaucratic procedures, they can help level the playing field for community groups.¹⁰⁶ Ongoing technical, legal, and financial support is also critical, as many citizen groups face challenges navigating complex project development processes. Building this capacity, through dedicated support structures and targeted training, ensures these initiatives are equipped to succeed over the long term.

Planning for long-term stewardship is equally essential. Legal safeguards that protect tenure and embed affordability over time help ensure that the benefits of community-led housing endure for future generations. Pilot projects, co-designed with community members, landowners, and professionals, can serve as valuable learning opportunities, building trust, refining practical models, and laying the groundwork for broader adoption.¹⁰⁷ European practice shows what is possible: CLT Brussels now receives €2 million annually in public support,¹⁰⁸ while some French municipalities have transferred land to trusts for as little as €1.¹⁰⁹ These cases demonstrate that collective housing flourishes when land, finance, governance, and technical support are aligned around long-term public value.

For Ibiza, building this enabling ecosystem means more than making land available. It requires capacity building and coordinated action between municipalities, the *Consell d'Eivissa*, and IBAVI to provide consistent frameworks, technical back-up, and continuity across political cycles. With dedicated institutional scaffolding, community-led models such as cooperatives and CLTs can move from inspiring concepts to viable, scalable solutions that strengthen affordability and resilience for the island.

¹⁰⁶ Zurich has institutionalised many of these principles. Through interest-free loans, development rights, and long-term leases, the city has actively fostered an ecosystem where cooperatives can compete, and thrive, within the broader housing landscape.

¹⁰⁷ The city of Zurich's commitment to expand non-profit housing to 33% of its total housing stock by 2050 illustrates what a long-term vision can look like. Backed by public finance, legal tools, and cross-sector alignment, this ambition treats housing as a form of social infrastructure—essential for resilience and cohesion, not just a market commodity.

¹⁰⁸ *Soluciones habitacionales para Ayuntamientos y Personas Impulsoras* (2025), Webinar, Vida Sostenible Cohousing, 25 June. (Available online): <https://www.youtube.com/watch?v=DVl45bP3dC>

¹⁰⁹ Ibid

Examples

| | |
|--|---|
| CLT Brussels – Dedicated Regional Funding | Receives €2 million annually in public funding, showing how sustained government backing creates stability and scale for community-led housing. ¹¹⁰ |
| France – OFS–BRS Land Transfers | Municipalities support CLTs by transferring land at symbolic cost (sometimes €1), embedding permanent affordability through legal separation of land and housing. ^{111, 112} |
| UK National CLT Network | National intermediary body offering technical, financial, and legal support to over 300 local trusts, ensuring grassroots groups can move from vision to delivery. ¹¹³ |
| Intermediary Organisations – Dutch CLTs | Dutch CLTs benefit from intermediary organisations that provide architectural and legal support, enabling community-led groups to professionalise and complete projects. ¹¹⁴ |
| La Dinamo Foundation, Catalonia | A non-profit that supports cooperative housing projects from idea to construction, helping groups find land, handle legal and architectural aspects, and set up long-term use agreements. |
| Sostre Cívic, Catalonia | A platform cooperative promoting permanently affordable housing through both builds and retrofitting. It combines citizen mobilisation, technical support and policy advocacy. |
| Vida Sostenible Cohousing, Spain | A social enterprise that facilitates cohousing and collaborative housing initiatives across Spain. It provides participatory design, guidance, legal structuring and support to municipalities. |

¹¹⁰ Sustainable Housing for Inclusive and Cohesive Cities (SHICC). (2019). Detailed Case Studies: Community Land Trusts in Europe. Interreg North–West Europe. ([Available online](#))

¹¹¹ A French legal framework (Bail Réel Solidaire, BRS) where a nonprofit land trust (Organisme de Foncier Solidaire, OFS) owns the land and households buy only the building, ensuring permanent affordability.

¹¹² SHICC, *op. cit.*

¹¹³ Ibid

¹¹⁴ Ibid

6.4 *Strengthening Community Housing and Wellbeing*

Community-led housing offers more than affordability; it creates environments that foster social connection, resilience, and health. During our interviews, participants emphasised that a home is “much more than four walls”—a home is a place of dignity, wellbeing, and belonging. This distinction is critical in Ibiza, where rising costs have not only pushed residents to the margins but also intensified isolation, especially among young people, older adults, and seasonal workers.¹¹⁵

Collaborative housing can mitigate this by weaving social infrastructure into the fabric of housing itself. Intergenerational models allow seniors to downsize while remaining connected, freeing larger homes for families and creating spaces where different age groups support one another.¹¹⁶ For younger residents, living in cooperatives or CLTs provides affordability while also offering community networks that ease the precarity of insecure rentals.¹¹⁷ In both cases, collective governance encourages participation and agency, helping residents feel invested in their community rather than marginalised by the market.¹¹⁸

Design and construction choices also matter. Housing that incorporates ecological design, non-toxic materials, and shared communal areas can directly influence physical and mental health.¹¹⁹ Bioclimatic architecture reduces energy costs while ensuring comfort, and spaces for shared meals, childcare, or cultural activities strengthen daily bonds.¹²⁰ Research increasingly shows that environments which encourage cooperation and mutual support reduce loneliness and contribute to better long-term health outcomes.¹²¹

For Ibiza, where housing pressures are eroding not only affordability but also quality of life, community-led housing presents a double dividend. It anchors homes in long-term affordability while also generating the social conditions for resilience. By tackling both material and social needs, these models can help ensure that housing is not just shelter, but a foundation for healthier, more connected communities.¹²²

¹¹⁵ *Ibid*

¹¹⁶ *Ibid*

¹¹⁷ *Ibid*

¹¹⁸ *Ibid*

¹¹⁹ *Ibid*

¹²⁰ *Ibid*

¹²¹ *Ibid*

¹²² *Ibid*

Examples

| | |
|---|--|
| La Borda | Beyond affordability, La Borda's cooperative design in Barcelona includes shared kitchens, childcare spaces, and community rooms , fostering daily interaction and mutual support among residents. |
| Cohousing Senior Residences in Denmark | Pioneered intergenerational and senior cohousing models that combine private units with shared facilities, reducing loneliness and enabling ageing in community. |
| Marmalade Lane | A cohousing project in Cambridge, UK, designed with extensive shared gardens, communal spaces, and participatory governance , strengthening neighbourly ties and wellbeing. |

6.5 Guiding Principles for Ibiza

- 1. Root projects locally:** Support self-organised groups in the municipalities where they live, rather than relocating them to areas that may be administratively easier but socially disconnected.
- 2. Build institutional capacity and coordination:** Ensure municipalities, the *Consell d'Eivissa*, IBAVI, and the Government have aligned roles and the technical skills, tools and continuity needed to guide projects from concept to delivery.
- 3. Level the playing field through local support structures:** Establish intermediary bodies to help community groups access land, funding, and permits on fairer terms, offering legal, technical, and financial guidance.
- 4. Safeguard permanent affordability:** Embed resale caps, occupancy conditions, and affordability covenants into cooperative and CLT projects to prevent leakage back into the speculative market.
- 5. Pilot community-led projects:** Use both public and private land to test cooperative and CLT models in Ibiza, creating legal and institutional testbeds that build confidence and demonstrate practical viability.

- 6. Adapt existing legal tools:** Apply and refine surface rights, emphyteusis contracts, and the HPL framework to approximate CLT principles until a dedicated legal category is established.
- 7. Learn from international practice:** Draw on models and legal frameworks that separate land from housing and link housing affordability to employment and environmental stewardship.
- 8. Lower costs through cooperative development:** Harness the 30–40% savings that cooperative models can deliver by eliminating land speculation, removing developer profit, and enabling collective procurement and management.
- 9. Connect housing with wellbeing:** Design community-led housing to reduce loneliness, strengthen intergenerational support, and create healthier living environments through ecological and participatory design.
- 10. Build social legitimacy and awareness:** Promote participatory design, innovation, visibility, and success stories to stimulate demand. Frame community-led housing as reinforcing Ibiza's values of family continuity and intergenerational security.

Part 3: From ideas to action

A Roadmap for Ibiza

How can Ibiza move from ideas to implementation?

Turning solutions into reality requires prioritisation, sequencing, and shared responsibility. This part of the report brings proposals together as a practical roadmap, distinguishing between short-term actions that can deliver






quick wins and longer-term reforms that demand sustained effort. It highlights the importance of clear roles for business, government, and communities, and of safeguards to keep affordability and fairness at the core. The roadmap is not a single plan, but a framework to guide collective action and measure progress toward a more inclusive and resilient housing system.





















7. Practical Strategies for Tackling the Housing Crisis








This section distils the report’s analysis into a set of action tables, organised under market-driven, government-led, and community-based pathways. Each table highlights short-term actions that can deliver visible results alongside medium-to-long-term reforms that require sustained effort. The aim is to provide a clear reference tool for businesses, public authorities, and civic groups, showing where they can lead, where collaboration is essential, and how safeguards can ensure fairness and lasting affordability.

7.1 Market-Driven Actions

| Market-Driven Actions | | Summary |
|---|--|--|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | | |
| Leveraging Core Business | | |
|  | A1. Pay employees living wages, alongside supply measures | Ensure workers can afford decent housing, improving recruitment, retention, productivity, and wellbeing without fuelling rent inflation. |
|  | A2. Use rooftop developments (HPL Type 2) | Develop additional units under HPL Type 2 by building on rooftops, linking new homes to upgrades that benefit all existing residents and ensuring permanent affordability. |
|  | A3. Retrofit unfinished or underused commercial spaces | Convert empty or obsolete buildings (e.g. offices, hotels, retail units) into affordable homes through adaptive reuse, financed by ethical investors or IBAVI, with long-term affordability safeguards (HPL Type 1). |










| Market-Driven Actions | | Summary |
|---|---|---|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | | |
|  | A4. Mobilise ethical finance and patient capital | Channel ESG-aligned funds and long-term co-investment into affordable housing, generating stable, long-term returns while keeping homes accessible to local residents. |
|  | A5. Adopt modular/off-site construction methods | Use modular and off-site techniques to cut costs, reduce timelines, and deliver sustainable, high-quality affordable housing at scale. |
|  | A6. Contribute to overall housing supply, not just internal needs | Ensure employer housing expands stock (through conversions, consortia, or repurposing land) rather than competing with residents by buying existing homes. |
|  | A7. Develop fair seasonal workers housing through collaboration | Businesses can jointly retrofit or manage staff housing, ensuring capped rents and non-competition with residents; off-season uses (e.g. digital nomads) can sustain affordability and cover costs. |
| Targeting Philanthropy | | |
|  | A8. Mobilise philanthropic capital, in-kind expertise, for crisis response | Direct corporate funds, land, housing stock, or in-kind support (e.g. furniture, training) toward affordable housing, emergency needs, and vulnerable groups, expanding capacity for NGOs and municipalities. |
|  | A9. Partner with NGOs on housing | Collaborate to support or co-fund affordable housing, amplifying local social impact. |
|  | A10. Donate or loan unused space | Make underused housing or commercial space available for temporary housing or community projects without losing commercial value. |

| Market-Driven Actions | Summary |
|---|---|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | |
|  A11. Channel capital responsibly | Business, foundations, and impact investors can prioritise socially oriented housing finance (through ESG-aligned funds, co-investment, or capped-return models) helping expand affordability while avoiding speculative flows that inflate prices. |
|  A12. Pilot transitional housing linked to training or apprenticeships | Retrofit underused public or private buildings into capped-rent units for youth or workers in training, ensuring safeguards and complementing year-round housing. |
|  A13. Pilot innovative housing models through philanthropy | Use philanthropic funds or land contributions to trial new approaches—such as cooperative housing, transitional housing, or community-led models—that can later be scaled by government or impact investors. |
| Advocating And Engaging For Systemic Change | |
|  A14. Share workforce housing data | Provide evidence on staff housing needs and shortages to local authorities and policymakers, enabling better planning and data-driven housing solutions. |
|  A15. Highlight employee housing challenges | Raise awareness of how the housing crisis impacts staff wellbeing, recruitment, retention, and business performance, helping build the case for urgent action. |
|  A16. Advocate for sector-wide living wage frameworks | Engage with government and peers to align wage policy with housing measures, avoiding inflationary effects. |
|  A17. Advocate for enabling private sector innovation | Support tools such as temporary-use licences, dual-use permissions, and retrofit exemptions that make it easier for responsible businesses and SMEs to contribute to housing supply. |

| Market-Driven Actions | Summary |
|---|--|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | |
|  A18. Enable retrofits through supportive schemes | Advocate for policies and partnerships (e.g. HPL, IBAVI) that convert empty buildings into affordable housing with long-term safeguards. . |
|  A19. Advocate for collaborative housing models | Support frameworks that allow SMEs, cooperatives and municipalities to retrofit underused buildings or develop seasonal housing consortia, as seen in Tignes, ensuring affordability and non-competition with residents. |
|  A20. Promote fair housing policies | Support rent regulation (where appropriate), inclusionary zoning, land-use reforms, and subsidies that expand affordability and protect residents. |
|  A21. Explore land partnerships with safeguards | Work with councils to test models (HPL, land swaps, or trading air rights) that expand affordable housing while prioritising long-term community benefit. |
|  A22. Test hybrid-use and flexible models with safeguards | Pilot flexible licensing that builds on existing mechanisms (such as the temporary suspension of tourist licences) while exploring mixed-use approaches. Coupled with affordability safeguards and targeted incentives for local SMEs, this could unlock additional flexible housing supply without undermining permanent residential stock. |

7.2 Government-Led Actions

| Government-Led Actions | Summary |
|---|--|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | |
| Addressing Informal And Precarious Housing | |
|  B1. Guarantee access to basic services | Ensure households in informal housing can access registration, water, sanitation, and hygiene to uphold rights, protect public health, and prevent exclusion |
|  B2. Deploy outreach and mediation teams | Use cultural mediators to build trust, assess diverse needs, and connect households to tailored support and housing pathways. |
|  B3. Provide transitional housing options | Offer safe, voluntary alternatives (temporary flats, modular units, phased relocation), reducing reliance on informal settlements and avoiding harmful forced evictions. |
|  B4. Support small-scale improvements | Reduce health and safety risks in precarious housing through micro-upgrades such as water access, sanitation, and basic repairs, whilst long-term solutions are developed |
|  B5. Coordinate multi-actor rehousing programmes | Combine housing with social, health, and employment support, delivered by municipalities, NGOs, and community actors together, improving long-term stability |
| Mobilising And Upgrading Existing Stock | |
|  B6. Enhance <i>Lloguer Segur</i> with refurbishment grants | Strengthen rent guarantee schemes with renovation aid and NGO tenancy management, reducing risks for owners and improving housing quality, to mobilise more vacant homes into affordable rental supply. |
|  B7. Simplify and expand public intermediation | Streamline procedures and improve communication to attract small owners wary of long-term rentals, while protecting tenants with fair conditions, clear eligibility, and NGO monitoring to avoid abusive situations. |
|  B8. Offer renovation grants or zero-interest loans tied to affordability | Require capped rents, primary residence use, and long-term commitments in return for public renovation subsidies, ensuring public money |

| Government-Led Actions | Summary |
|---|---|
| Key:  = Short-term action (0–2 years)  = Medium-to-long term action (2–5 years) | |
| | delivers lasting benefit. |
|  B9. Implement safeguards for publicly supported renovations | Apply eligibility criteria, 5–10 year affordability rules, clawback clauses, and public registration to guarantee that investments remain accessible and transparent. |
|  B10. Promote adaptive reuse of underused buildings | Use HPL and enabling laws to convert hotels, offices or retail into affordable housing with safeguards, reducing vacancy and expanding supply without new land take. |
|  B11. Repurpose long-idle or unfinished public or private structures | Convert obsolete or stalled developments into limited-price or essential workers housing, preventing demolition and landscape degradation. This reduces material demand, lowers costs, supports local waste and carbon-reduction goals and expands supply. Authorities can enforce the “duty to build” and, if necessary, apply expropriation as a last resort. Such frameworks can also have a deterrent effect, prompting owners to rehabilitate. |
|  B12. Promote preventive intermediation models | Partner with NGOs or public entities to manage leases and prevent vacancy, prioritising vulnerable groups and essential workers, reducing pressure on speculative rentals. |
|  B13. Collect and analyse vacancy data | Develop disaggregated data systems to track second homes, inheritance cases, informal rentals, and unfinished/abandoned buildings, strengthening municipal enforcement and enabling evidence-based policy. |
|  B14. Develop coordinated neighbourhood regeneration programmes | Combine building upgrades with public space improvements, social safeguards, and resident participation; partnering with neutral actors (e.g. universities) to ensure continuity beyond political cycles. |
|  B15. Prioritise activation of built stock over land consumption | Create incentives, financing tools, and simplified procedures that make municipalities favour recovery of vacant, unfinished, or underused buildings over expanding into unbuilt land. Aligns housing delivery with community needs, resource limits, and long-term land protection. |

Government-Led Actions

Summary

Key: 🌱 = Short-term action (0–2 years) 🕒 = Medium-to-long term action (2–5 years)

| | | |
|---|---|--|
| 🕒 | B16. Explore vacancy and second-home taxes | Evaluate fiscal tools that contribute in curbing speculative housing use and ensure revenues are transparently reinvested into delivering affordable homes and reported publicly to build trust. |
|---|---|--|

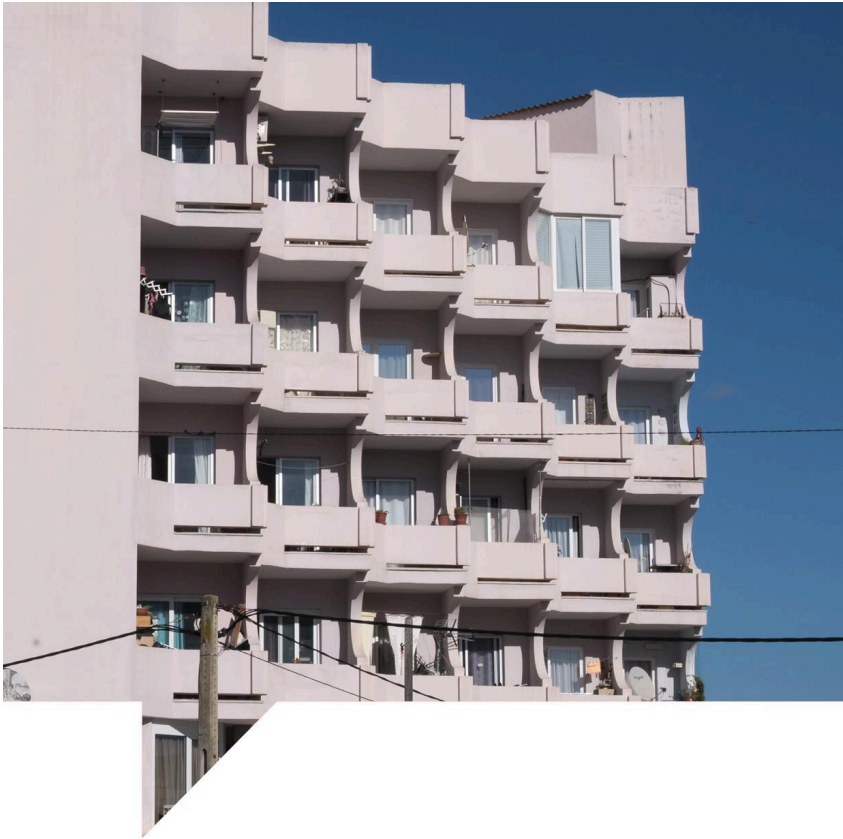
Constructing Housing Strategically

| | | |
|---|---|---|
| 🌱 | B17. Deploy temporary or modular housing on public land | Install relocatable housing on idle land to meet urgent or seasonal needs, using clear frameworks and NGO partnerships, providing fast solutions without permanent land consumption |
| 🌱 | B18. Activate interim use of empty public buildings | Repurpose empty public buildings for temporary housing or community use under time-limited agreements, preventing underutilisation. |
| 🌱 | B19. Conduct carrying-capacity and housing-needs studies | Commission independent studies, with transparent methods and oversight, to align housing with land, environment, and affordability limits, ensuring findings serve the public good rather than private interests. |
| 🕒 | B20. Strengthen public housing delivery capacity | Build long-term delivery structures at Balearic (IBAVI) and municipal level to safeguard continuity transcending political cycles and ensuring affordability is embedded. |
| 🕒 | B21. Support cooperative and community-led delivery on public land | Support access to land under long-term surface rights for co-ops and CLTs, reducing costs by removing developer profit and embedding collective governance. |

Preserving Homes For Residents







| | | |
|---|---|--|
| 🌱 | B22. Pilot a voluntary deed-restriction programme | Offer one-off grants or incentives to owners who commit homes to permanent or long-term residency for locals, creating protected stock quickly while testing feasibility |
| 🕒 | B23. Leverage enforcement and tax tools to expand deed | Develop vacancy or second-home surcharges to fund deed-restriction incentives. Allocate |

| Government-Led Actions | | Summary |
|--|--|--|
| Key: 🌱 = Short-term action (0-2 years) 🏠 = Medium-to-long term action (2-5 years) | | |
| | restrictions | revenues from illegal tourist rental fines—or forgive part if owners commit to deed-restrictions—to expand protected homes for year-round residents. |
| 🌱 | B24. Integrate deed-restricted housing with existing frameworks | Link VPO, HPL, and Nova <i>Hipoteca Jove</i> to create a coherent protected housing system with monitoring and support. Use upfront youth mortgage support in exchange for permanent affordability, with safeguards. |
| 🏠 | B25. Tie incentives to long-term affordability | Ensure fiscal or urbanistic benefits are conditional on permanent affordability covenants and local year-round residency rules. |
| 🏠 | B26. Provide flexible housing for essential workers | Use dotational and temporary public-service housing (Law 3/2024) to stabilise healthcare, education, and emergency services, safeguarding critical workforce needs. |



7.3 Community-Based Actions

| Community-Based Actions | Summary |
|--|--|
| Key: 🌱 = Short-term action (0-2 years) 🏠 = Medium-to-long term action (2-5 years) | |
| <h3>Developing Housing Cooperatives</h3> | |
| 🌱 C1. Align cooperative models with local values of ownership and legacy | Frame cooperatives as reinforcing cultural priorities like family continuity and intergenerational security, making them more relevant and acceptable in Ibiza. |
| 🌱 C2. Build social legitimacy for cooperatives | Share success stories (e.g. La Borda, Entrepatis) to strengthen public understanding and acceptance of non-speculative collective housing. |
| 🏠 C3. Pilot new cooperative housing using surface rights | Work with municipalities to provide long-term leases (75–90 years) on public or dotational land, ensuring affordability and participatory governance. |
| <h3>Establishing Community Land Trusts</h3> | |
| 🌱 C4. Raise awareness of the CLT model | Engage communities and policymakers with examples from Brussels, Ghent, and London to build legitimacy and political support. |
| 🏠 C5. Pilot CLTs using existing legal instruments | Adapt surface rights and affordability covenants as interim tools to safeguard long-term affordability, creating precedents that can inform future CLT legislation in Spain. |
| 🏠 C6. Safeguard affordability through CLT rules | Embed resale caps, occupancy conditions, and affordability covenants to keep homes permanently affordable and rooted in community benefit. |
| <h3>Building The Enabling Ecosystem</h3> | |
| 🌱 C7. Strengthen coordination across institutions | Align municipalities, the <i>Consell d'Eivissa</i> , IBAVI, and the Balearic Government on land access, legal tools, and technical support to reduce |

| Community-Based Actions | Summary |
|---|---|
| Key:  = Short-term action (0-2 years)  = Medium-to-long term action (2-5 years) | |
| | fragmentation and ensure continuity. |
|  C8. Build local capacity through technical support and bridging institutions | Create dedicated organisations to provide legal, architectural, and financial advice to citizen groups, lowering entry barriers and risks. |
|  C9. Prioritise land, finance, and fair processes for collective initiatives | Dedicate public land, low-interest loans, tax incentives, and streamline bureaucracy to level the playing field for community-led groups. |
|  C10. Co-design pilot projects with communities, landowners, and professionals | Develop pilots as “learning labs”, building trust and refining practical models for wider adoption. |
| Strengthening Community Housing And Wellbeing | |
|  C11. Embed wellbeing and ecological design in projects | Encourage bioclimatic design, non-toxic materials, and shared social spaces that reduce loneliness, cut costs, and improve physical and mental health. |
|  C12. Support intergenerational and inclusive models | Facilitate cooperative or CLT housing that enables seniors to downsize, frees larger family homes, and fostering shared spaces where different groups support each other. |

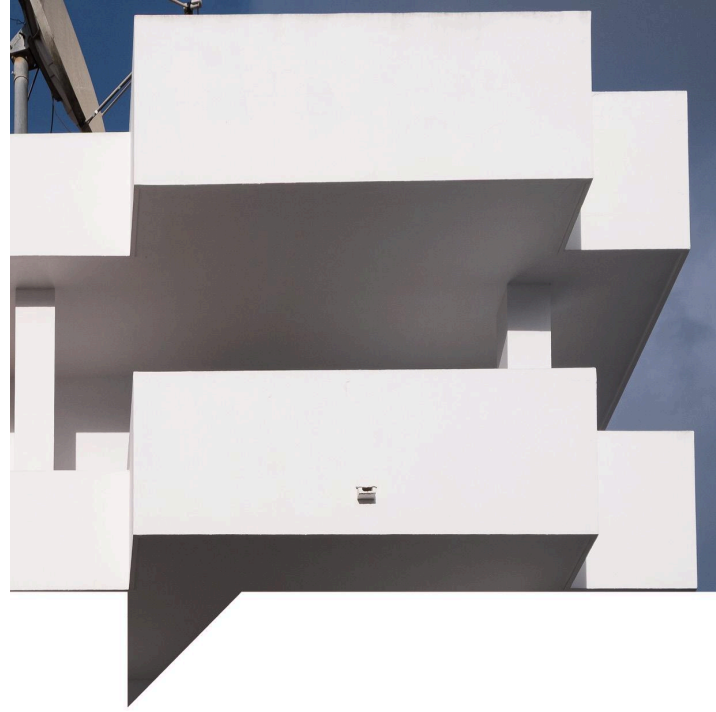
8. Conclusion:

Building a Home for Ibiza's Future

Ibiza stands at a crossroads. The housing crisis is no longer just about rising rents or vacancy rates; it is a lived reality for families, young people, and essential workers whose future on the island grows more uncertain. The very social fabric and cultural identity of Ibiza are being tested by structural imbalances that have built up over decades: the gap between wages and housing costs, the dominance of speculative investment, the pressure of tourism, and the chronic undersupply of year-round, affordable homes.

Addressing these challenges requires bold action and shared responsibility. Government must strengthen delivery capacity, coordinate across institutions, and enforce affordability safeguards. Businesses, as both employers and landowners, have a critical role in paying living wages, providing or supporting affordable accommodation, and directing investment toward long-term housing solutions, with strategies that expand supply rather than compete with year-round residents. Communities, through cooperatives and land trusts, can anchor homes in collective stewardship, ensuring they remain affordable and connected to local values.

The good news is that proven tools already exist. From rent guarantees and vacancy taxes to adaptive reuse and modular construction, from community land trusts in Brussels to cooperative housing in Barcelona, international practice shows what is possible. Locally, Ibiza has the chance to adapt these ideas, mobilising empty homes, converting underused buildings, piloting



cooperative and employer-led models, and deploying public land strategically with robust affordability safeguards.

Crucially, new construction must be a last resort, pursued only when need is clear and after existing stock has been mobilised. Such decisions should be grounded in transparent housing-needs and carrying-capacity studies that consider land availability, island resources, social and environmental limits, and the impacts on future generations. Strengthening the enabling layer—better data, stronger institutions, coordinated governance, and fair fiscal tools—may not be as visible as building new homes, but it is fundamental for long-term success.

The path ahead is demanding, but also full of possibility. If Ibiza can align the contributions of government, business, and civil society, it can move beyond piecemeal fixes and build a housing system that is inclusive, resilient, and fair. With ambition, collaboration, and a commitment to safeguarding community wellbeing, the island can turn today's crisis into the foundation for a more secure future, where every resident has the right to a dignified, stable, and affordable home.



Annex 1:

Glossary

Adaptive Reuse

The refurbishment of an existing building for a new purpose (e.g. turning offices, hotels, or retail units into housing). In Ibiza, it is a key way of mobilising underused stock before building new homes.

Air Rights

The right to build on top of an existing building. Under Balearic Law 3/2024, rooftop developments registered as *Habitatge de Preu Limitat (HPL) Type 2* must remain permanently affordable.

Community Land Trusts (CLTs)

Non-profit entities that acquire and steward land in perpetuity. Homes built on CLT land can be sold or rented, but land is kept in collective ownership with resale caps and occupancy conditions to preserve affordability.

Co-housing / Co-living

Collective housing models where residents share some facilities and governance. Co-housing is typically resident-owned and participatory; co-living usually involves renting private rooms with shared communal spaces.

Deed-Restricted Housing

Homes subject to legal conditions that require them to be used as a primary residence, by local workers, or at below-market prices. This tool helps preserve affordability over time and is increasingly discussed in Ibiza as a complement to VPO and HPL.

Dotational Housing (*Vivienda Dotacional*)

Publicly provided or subsidised housing on land reserved for social use, often allocated to essential workers (e.g. teachers, healthcare staff, police). *Suelo dotacional* refers to the plot of land reserved for social use.

Municipal Registration(*Empadronamiento*)

The official municipal register of residents in Spain. Registration provides access to healthcare, education, and other rights. Some informal residents in Ibiza reported paying high fees for illegal registration.

Habitatge de Preu Limitat (HPL)

A Balearic Islands housing category created by Law 3/2024. HPL units have capped rents or sale prices, a maximum size of 90 m², and permanent affordability safeguards. Eligibility is restricted to residents without other housing.

Informal Housing

Housing outside legal or planning frameworks, such as caravans, makeshift settlements, or overcrowded dwellings. In Ibiza, many seasonal and essential workers rely on these arrangements.

Lloguer Segur

The Lloguer Segur (“Secure Rent”) programme offers small landlords guaranteed rent, property return, and tax deductions to place vacant homes on the long-term market. Rents are capped up to 30% below market, landlords receive the full price, with the government covering the difference. Managed by the Balearic Government with professional associations (COAPI, CAFBAL), the scheme aims to expand affordable rentals, though uptake remains limited due to seasonal and short-term rental competition and low trust.

Surface Rights (Derechos de Superficie)

A long-term right (typically 75–90 years) to build and use land owned by another party, often a municipality. It is used in cooperative and public–private housing to ensure affordability while retaining public ownership of land.

Vivienda de Protección Oficial (VPO)

Spain’s traditional form of publicly subsidised housing, with capped prices and eligibility criteria. VPO homes are designed to ensure access for lower- and middle-income residents.

Vacant Home (Vivienda Desocupada)

A legal designation under Spanish housing law for dwellings uninhabited for at least two years without exemption. Classification can trigger vacancy taxes or compulsory rental measures.

Empty Home (Vivienda Vacía)

A broadly defined category for dwellings not used as a primary residence, including homes without continuous occupation (for sale, rent, or idle). Typically excludes second homes used seasonally (e.g. for holidays).

Annex 2:

Resources

A. *Guides and Policy Resources*

[Access to Funding Handbook \(SHAPE-EU\)](#)

Financing options for social and affordable housing renovations, covering EU funds, repayable finance, grants, and private investment.

[Affordable Housing Initiative \(European Commission\)](#)

EU initiative supporting affordable, sustainable renovation across 100 pilot districts, fostering municipal–SME partnerships and circular construction.

[A Practical Overview of the Different Forms of Accommodation Agreements in Spain \(Clifford Chance\)](#)

Overview of Spanish lease types (housing, seasonal, co-living) and regulatory issues.

[Brick by Brick: Better Housing Policies in the Post-COVID-19 Era \(OECD\)](#)

Policy trends on affordability, energy efficiency and housing system reform.

[Building Renovation Passports: Consumer's Journey to a Better Home \(BPIE\)](#)

Guidance on long-term renovation roadmaps, incentives and national strategies.

[Effective Project Implementation – Affordable Housing Initiative European Partnership \(SHAPE-EU\)](#)

Co-creation, affordability safeguards, and energy efficiency in EU renovation projects.

[European Affordable Housing Consortium \(SHAPE-EU\)](#)

Policy recommendations on sustainable finance, regulation, and local partnerships for affordable housing.

[Hogar Sí & Provivienda. Derechos a la vivienda: Informe final de evaluación.](#)

Examining the right to housing and the challenge of deinstitutionalising Spain's homelessness support system.

[Methodological Keys for Homelessness Policies \(Spain\)](#)

A rights-based framework for homelessness prevention and response, with guidance on coordination.

[My Home is an Asset Class: The Financialisation of Housing in Europe \(Greens/EFA, 2022\)](#)

Analysis of investor pressure on affordability with proposals to see housing as a right.

[Policy and Planning Tools for Urban Green Justice: Fighting displacement and gentrification and improving accessibility and inclusiveness to green amenities \(2021\).](#)

Toolkit offering policy guidance to counter displacement and gentrification while promoting inclusive access to urban green spaces.

[White Paper on Affordable, Sustainable Energy Transition and Building Renovation \(EU\)](#)

EU actions for fair, affordable building renovation within the energy transition.

B. Housing Support for Residents of Ibiza

European Union

[EPOCH – European Platform on Combating Homelessness](#)

EU-wide initiative to end homelessness by 2030 through coordinated action, policy sharing, and mutual learning. Not direct aid, but a framework for governments and NGOs.

Spain

[Ley Vivienda 12/2023 – Tenant Protections](#)

Stronger tenant security, affordability, and eviction safeguards in stressed housing markets. Includes 3-year lease extensions, mediation, and landlord-paid fees.

[Estrategia Nacional 2023–2030 – Homelessness Strategy](#)

National plan to reduce homelessness by 95% by 2030, with housing-first and prevention as key pillars.

[Ley Vivienda 12/2023 – Rent Caps](#)

Caps rent increases in stressed areas (3% in 2024; new index from 2025). Includes tax breaks (50–90%) for landlords who reduce rents.

[Bono Alquiler Joven – Youth Rent Bonus](#)

€250/month subsidy for renters under 35 (up to 24 months). Balearic rent limit extended to €900.

[ICO “Mi Primera Vivienda” – First-Home Purchase Guarantee](#)

State-backed mortgage guarantees up to 20–25% of value, enabling 100% financing for young buyers and families.

Balearics

[IBAVI – Balearic Housing Institute](#)

Public agency that develops, manages, and oversees affordable housing programmes in the Balearic Islands.

[Habitatge de Preu Limitat \(HPL\) – Limited-Price Housing \(Llei 3/2024\)](#)

A housing category with capped sale/rent prices and 90 m² size limit, ensuring permanent affordability for residents.

[Lloguer Segur \(Secure Rent Programme\)](#)

Balearic government scheme that incentivises owners to rent empty homes at below-market rates, offering guarantees and benefits for both landlords and tenants.

[Balearic Rent Assistance](#)

Subsidies covering ~40–50% of rent for low-income tenants, with rent caps (≤ €900).

[Vivienda Protegida \(VPO\) – Protected Housing](#)

Publicly subsidised housing at capped rents or sales prices. Priority given to long-term residents.

[Hipoteca Joven – Balearic First-Home Guarantee \(IBAVI\)](#)

Regional mortgage guarantees (15–20%) to enable 100% financing for first-time buyers.

[Impuesto Transmisiones \(ITP\) – Tax Breaks](#)

Reduced property purchase tax (4%, 2%, or 0%) for residents meeting price/age criteria.

Ibiza

[Ibiza Municipal Shelter \(SAM\)](#)

Local shelter and reintegration programme with emergency beds, transitional housing, and reintegration support for people experiencing homelessness.

Annex 3: Key Elements of the Legal Framework

This annex provides a non-exhaustive snapshot of the main national and Balearic legal frameworks influencing housing availability and affordability in Ibiza. It highlights key mechanisms with potential impact on housing supply, while not attempting a comprehensive legal analysis.

| LAW | RELEVANCE | KEY PROVISIONS |
|---|--|---|
| NATIONAL FRAMEWORKS | | |
| Spanish Urban Leases Law (LAU, 1994, as amended) | Defines the national framework for residential and seasonal rentals | <p>Rentals longer than 30 days are not considered tourist rentals and do not require a tourist license.</p> <p>No hotel-type services (cleaning, reception, concierge); offering them would classify the rental as tourist accommodation, requiring a license</p> |
| Spanish Land and Urban Rehabilitation Law (Royal Legislative Decree/2015) | Sets the duty of owners to build and conserve and allows expropriation if owners fail to act | <ul style="list-style-type: none"> • Owners must complete construction and maintain land or buildings within planning deadlines (duty to build and conserve). • If works are paralysed or duties ignored, municipalities can declare non-compliance. • Authorities may enforce works by substitution or, as a last resort, expropriate and add properties to the Public Land Assets for public uses, including affordable housing. |
| Royal Decree Law 7/2019 | Strengthen tenant protection and rental stability. | <ul style="list-style-type: none"> • Minimum lease duration: 5 years (private landlord) / 7 years (corporate landlord). • Automatic 3-year renewal if neither party terminates. • Additional guarantees capped at 2 months' rent beyond the standard deposit. |

| LAW | RELEVANCE | KEY PROVISIONS |
|---|---|---|
| Spanish Housing Law (Ley 12/2023) | Expands protected housing and regulates stressed rental markets | <p><u>Nationwide measures</u></p> <ul style="list-style-type: none"> • Public housing & land reserves: 40% of new developable land and 20% of non-consolidated urban land must be for protected housing; half reserved for rentals. • IBI surcharge: Municipalities can apply 50–150% property tax surcharge on homes vacant for over 2 years if the owner has 4+ homes within the same municipality. • Lower upfront costs for tenants: Landlords must pay agency fees • Rent increases during leases cannot exceed the IRAV index (<i>a new national rent-update index replacing CPI to prevent excessive annual increases</i>).¹²³ <p><u>Stressed Market Area Measures</u></p> <p>Areas with severe rental pressure (e.g., rents exceeding 30% of average household income or rising faster than inflation). Stressed areas must be declared by the regional government.</p> <ul style="list-style-type: none"> • Large landlords: Initial rent cannot exceed the previous contract or the regional reference index; annual updates capped by IRAV. • Tax incentives up to 90% for landlords who reduce rents at least 5% or join affordable rental programmes. • Extra lease extensions: +3 years for tenants; +1 year for vulnerable households. • Eviction safeguards: Large landlords must attempt mediation; evictions can be delayed for vulnerable tenants |

BALEARIC FRAMEWORKS

| | | |
|---|---|---|
| Balearic Tourism Law (2017 amendment to Law 8/2012) | Regulate tourist rentals and limit their impact on residential housing supply | <p>Zoning and saturation limits: Island councils and municipalities can designate restricted or “saturated” zones, where tourist rentals may be limited or prohibited.</p> <p>Property eligibility: Homes must be at least 5 years old and have served as a primary residence during that period before a tourist rental license can be granted. (Prevents developers from building new homes directly for tourist use).</p> |
| Balearic Housing Law (Ley 5/2018) | Mobilises vacant homes for social use | <p>Allows temporary expropriation (up to 7 years) of legally classified as vacant homes owned by large landlords (10+ properties) that remain empty for over 2 years without justification.</p> <ul style="list-style-type: none"> • The owner keeps the property, but the government controls its use for social rental and pays market-rate compensation. • After 7 years, full control returns to the owner. • Designed to mobilise empty homes, increase social rental supply, and |

¹²³ This does not set general price caps; it limits how much ongoing rents can rise each year.

| LAW | RELEVANCE | KEY PROVISIONS |
|--|--|--|
| | | deter speculation in high-pressure markets like Ibiza. |
| Urgent Housing & Urban Measures (Ley 3/2024) | Urgent urban planning measures to expand the stock of public and limited-price housing in the Balearic Islands | <p>Creates Price-Limited Housing (<i>Habitatge de Preu Limitat</i>), referred to throughout the report as HPL.</p> <p>All new VPO and HPL are permanently protected (no voluntary declassification) and must be primary residences, listed in a public registry. There are 2 types:</p> <ul style="list-style-type: none"> – HPL Type 1: Adaptive reuse Conversion of empty commercial/unfinished buildings into housing. – HPL Type 2: New build or vertical extensions (“air rights”), including projects on public land under surface rights. This type enables creating new floor area while ensuring long-term affordability. |
| Programa Lloguer Segur | Increase the supply of long-term rental housing by mobilising empty homes into the affordable market without requiring new construction. | <p>The Balearic Government leases empty private homes at market rent and sublets them to eligible tenants at up to 30% below market, covering the difference.</p> <ul style="list-style-type: none"> • Owner benefits: Full market rent, up to 70% IRPF reduction, and the property returned in its original condition. • Eligibility: Homes must have been unoccupied for a minimum period and owned for at least 3 years. Tenants must have lived in the Balearic Islands for at least 5 years and meet income requirements. • Contracts last 5–7 years, providing security for both parties. |
| Tourism Circularity Law, 2022 (updated by Decree-Law 4/2025) | Controls tourist rental expansion to protect housing and enable sustainable tourism | <ul style="list-style-type: none"> • 4-year moratorium (2022–2026) on new tourist rental licenses. • 2025 reform: Introduces a license exchange pool allowing owners to trade or reassign existing licenses, but total capacity is capped—no new tourist beds are created. • Apartments (<i>plurifamiliares</i>) remain off-limits for new licenses. • Expansion depends on an island-level carrying-capacity plan (PIAT/PTI or council-approved ceiling), which determines the maximum total tourist places. • Carrying-capacity studies must ensure that tourism does not significantly impact resources, territory, residents’ quality of life, or tourists’ wellbeing, and must at minimum analyse: resident population needs, available resources, status and number of infrastructures, mobility, and waste-management capacity. |

Annex 4:

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Interviewees:

- Antoni Riera, Impulsa Balear
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- David Minguez, Boo Travels
- Enrique Gómez Bastida, Consell d'Eivissa
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- José Antonio Roselló, Confederación de Asociaciones Empresariales de Baleares (CAEB)
- José Francisco Reynés, Govern de les Illes Balears
- José Ramón Cardon, Universitat de les Illes Balears
- Manuel Sendino, Federación Empresarial Hotelera de Ibiza y Formentera
- Mariano Juan Colomar, Consell d'Eivissa
- Mario Manjón Rosado, Provivienda

- María Ángeles Marí Puig, Petita i Mitjana Empresa d'Eivissa i Formentera (PIMEEF)
- Melissa García-Lamarca, Lund University Centre for Sustainability Studies
- Pablo Cereijo, Visual Urb
- Rylan Shewmaker, European Community Land Trust Network
- Thomas Ubrich, Fundación FOESSA
- Zenón Helguera, Agentes de la Propiedad Inmobiliaria (API) en Ibiza y Formentera

Panel from the Online Written Discussion:

- Ahila Ganesan, Think City – Malaysia
- Alicia Reina Escandell, University of the Balearic Islands, and Spanish Association of Hotel Directors (AEDH) – Spain
- Henk Bouwman, METREX – The Network of European Metropolitan Regions and Areas – France
- Hennie Botes, Moladi – South Africa
- Jose Ramón-Cardona, University of the Balearic Islands – Spain
- Josep Capella Hereu, DECABA Tourism and Local Development – Spain
- Joseph Martin Cheer, World Economic Forum – Australia
- Karen Simmonds, Travel Matters – UK
- Lucia Valenzuela Solis, Build Change – Mexico
- Luis Cateura, Fundación Paraguaya/Poverty Spotlight – Paraguay
- Marina Novelli, University of Nottingham – UK
- Mauricio Martinez Miramontes, La Mano del Mono – Mexico
- Nick Budlender, Ndifuna Ukwazi – South Africa
- Rachel Slaymaker, Economic and Social Research Institute (ESRI) – Ireland

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Photo Credits:

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Below is a list of selected references. For web references to media articles and case examples, refer to the footnotes and hyperlinks in the report.

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